

# DUN & BRADSTREET MONTHLY REVIEW



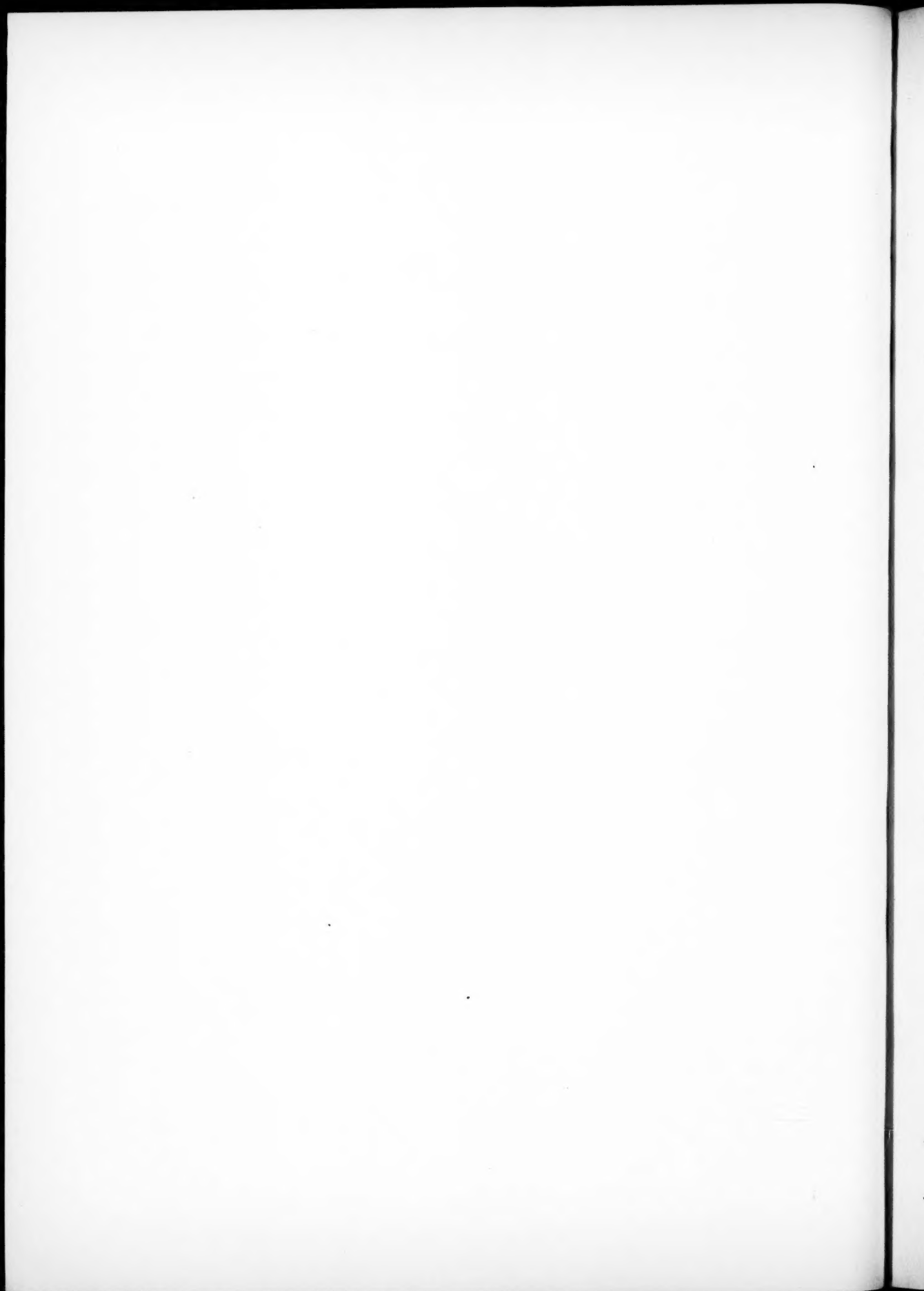
SPENDING FOUR BILLIONS FOR WORK RELIEF

by DR. F. L. BIRD

AUGUST · 1935

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## DUN and BRADSTREET MONTHLY REVIEW

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## THE ACTIVITY BAROMETER



AUGUST 7, 1935      JULY 3, 1935  
74.4      67.6

Reflecting the marked rise in steel operations and electric power production and the gradual upward movement of prices and bank clearings, the Activity Barometer for the first week of August rose to the peak for this year. In fact, except for the final week of 1934, which was distorted somewhat by holidays, the latest figure of 74.4 stands at the best level recorded since May, 1931. Since early May, when the 1935 low was touched and the Barometer dropped below the level of the year preceding, there has been a rise of 9.7 per cent, while the increase over the corresponding week of 1934 amounts to 18.7 per cent.

### BAROMETER AND ITS COMPONENTS (Estimated normal = 100)

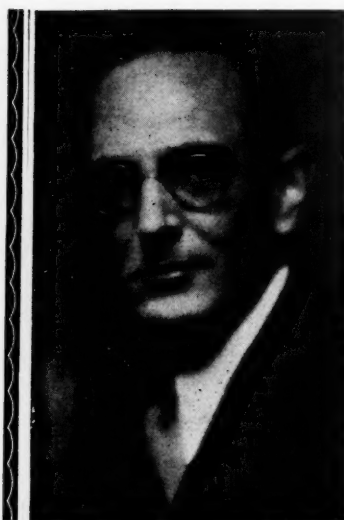
|              | Activity Barometer | Steel Production | Car Loadings | Electric Power | Bank Clearings | Fuel Price Index |
|--------------|--------------------|------------------|--------------|----------------|----------------|------------------|
| Aug. 7, '35  | 74.4               | 66.6             | 58.7         | 90.8           | 51.5           | 86.1             |
| July 31, '35 | 73.4               | 62.8             | 59.1         | 90.9           | 51.6           | 85.0             |
| July 24, '35 | 71.0               | 58.7             | 56.8         | 90.3           | 51.3           | 84.1             |
| July 17, '35 | 70.1               | 56.3             | 56.4         | 89.6           | 50.8           | 83.2             |
| July 10, '35 | 70.2               | 49.4             | 62.1         | 88.5           | 50.4           | 82.9             |
| July 3, '35  | 67.6               | 45.0             | 58.1         | 89.2           | 49.7           | 82.4             |
| Aug. 8, '34  | 62.7               | 37.4             | 59.8         | 82.6           | 45.9           | 71.9             |

## THIS ISSUE

The way the allotments are to be made, the objectives that have been set, and the benefits which will accrue from the spending by the Works Progress Administration of the \$4,880,000,000 appropriated by Congress last Spring, are reviewed comprehensively by Dr. Frederick L. Bird, Director of Municipal Research for DUN & BRADSTREET, INC., in his article "Spending Four Billions for Work Relief."

Both failures and bank clearings, which are classed among the leading barometers of business trends, made a favorable showing for July. The number of the former was the lowest for any July since 1920, excepting 1934, while the aggregate of the latter was the highest for any July since 1931.

In the "Graphic Reviews of Major Trends," special attention is directed to the spectacular rise in building permit values, the peak established by electric refrigerator sales, and the progress made by rayon, lumber, and tin, as indicated by production and consumption.



DR. FREDERICK L. BIRD  
Director of Municipal Research for  
Dun & Bradstreet, Inc.

## SPENDING FOUR BILLIONS FOR WORK RELIEF

*In this article Dr. Bird analyzes the spending program of the Works Progress Administration. The integral units of the program are enumerated and the problems confronting each are set forth in detail. A clear picture is shown of the enormity of the undertaking and of its basic social and economic significance.*

WHEN Congress last Spring appropriated \$4,880,000,000 for work relief it was sanguinely anticipated that by July 1 the entire amount would have been allotted to appropriate projects, work initiated on the great majority of them, and the process of removing all employables from relief rolls well under way.

Such anticipations, unfortunately, failed to take account of the immensity of the task, the amount of planning and administrative machinery involved, and the many limitations which would circumscribe the swift spending of the huge fund. By the latter part of July, a preliminary report of the Works Progress Division discloses, allotments of \$1,499,992,805 had been made, to provide employment for 1,127,000 of the 3,500,000 jobless on the relief rolls. Fewer than 50,000 persons, other than enrollments in the Civilian Conservation Corps, had actually been put to work.

The work relief program, however, after various and sundry delays and shifting of plans, has finally assumed definite shape. The general policies for spending have been fairly well clarified, a cumbersome administrative set-up has been tinkered into more or less

workable form, and rapid progress in the transfer of people from relief rolls to works jobs may be expected from now on. A brief survey of the original objectives and the obstacles encountered in planning their realization will help to explain the lines of action now being followed and to estimate the probable results in reduction of relief rolls and useful work accomplished.

### Provision of Work Primary Object

The primary objective of the work relief fund was the provision of work immediately, and for the period of a year, for the approximately 3,500,000 employable persons on relief. This was to be a chief means of effectuating the Administration's new policy of apportioning responsibility for handling the relief problem. Under the operation of the new arrangement the federal government was to be responsible for employables on the relief rolls, while other persons on relief were to be provided for by the State and local governments.

Looming prominently in the program, however, were several secondary but vitally important objectives. The terms of the Work Relief Act and the announcements

of members of the Administration conveyed the impression that spending for relief was to be combined with the most constructively useful program of public works in the nation's history. The picture conveyed was an alluring one to persons visioning an auspicious beginning of comprehensive economic and social planning on a nation-wide scale to conserve the nation's resources and improve the social status of the masses. That the work projects were to have permanent social usefulness was both expressed and implied and emphasis was placed on plans for such unmistakably desirable undertakings as slum clearance, rural rehabilitation, flood control, soil conservation, rural electrification, grade crossing elimination, and elimination of stream pollution through provision of more and better sewage disposal systems.

While no great stress was placed on the moot subject of buying our way out of the depression, the nature of many of the types of projects stressed connoted stimulation of the durable goods industries still lagging behind in recovery. Further, among the President's expressed objectives was the desire to create self-liquidating projects which would ultimately



return as large as possible a proportion of the total fund to the treasury. Finally, and greatly complicating and limiting the Administration's planning, was the fear of appearing to place obstacles in the way of private business, by undertaking types of projects customarily controlled by private enterprise, competing for certain types of skilled labor, and entering fields which might discourage private investment. Concern over such matters has strongly influenced the choice of channels through which the relief program is beginning to function.

#### Relief Program Requirements Rigid

Finding useful projects, almost overnight, on which \$400 million a month could be spent was a job to tax the ingenuity of the ablest administrator. But evolving such a program with the additional requirement of meeting all the work relief program's objectives, primary and supplemental, was impossible of accomplishment—a stubborn fact which if faced at the outset of the undertaking would have saved time, avoided administrative confusion, and afforded some prospect of the work proceeding on schedule.

There was the President's firm insistence, to begin with, that the work relief fund must provide direct employment to the 3,500,000 employable men and women on relief. Suggestions that allowance might be made for their partial absorption through the indirect labor bound to be stimulated by the increased requirements for material and equipment were discarded as out of line with the pledges given. This ruling required, by mathematical inevitability, that the cost of all projects must average not more than \$1,143 per man per year. This figure had to include not only the worker's wage but the cost of material and equipment, land acquisition and other financial requirements. Such a limitation precluded all projects in which the labor cost was not the predominant item—a classification which debarred the great ma-

jority of public works projects of more or less permanent value, particularly in urban areas where unemployment was concentrated. It also necessitated the fixing of a very low wage averaging not more than \$50 a month.

Certain corollaries to this basic principle still further restricted the field of public works projects. It was logical that they be located in the seats of greatest unemployment—the industrial cities—and this minimized the opportunities for promoting in a large way the permanently useful conservation projects and brought conflict with high man-year cost as well as private enterprise. Projects, furthermore, had to be correlated with types of unemployment, which meant, among other things, that work, largely of a non-public works nature, had to be devised for the 300,000 or more professional and clerical workers, men and women, on relief. In an effort to assure equitable distribution of funds and to avoid as far as possible charges of partiality, a method of control was adopted which assigned each state and economic area its quota, based on the number of persons on relief and the cost of their maintenance. Part of the complexity of administering allotments concerned the fitting into these quotas of the heterogeneous flood of proposed projects.

#### Average Cost Limited to \$1,143

The allotment of funds began in earnest about the first of May and proceeded with all the speed which could be evoked from an unwieldy and not yet adjusted administrative machinery for over a month, when a preliminary check-up disclosed that fundamental rules were being violated. Allotments were threatening to exceed the quotas of some states while others had received only the beginnings of attention; some cherished projects were found to lie in areas where the labor supply was deficient; and, even more serious, the average man-year cost of projects already approved had greatly exceeded the \$1,143 standard. This

discovery brought delay for further revamping of the program.

A by no means negligible cause of the slowness in getting the work relief program under full steam has been the veritable maze of red tape involved in steering projects from their originating agencies through to final approval and release of funds, the highly complicated and cumbersome organization created to pass upon the various projects, and the failure to coordinate the direction of the work under a single responsible head. Project administrators with plans ready to go ahead have fretted and fumed and highly competent administrative staffs have labored day and night and exhausted ingenuity to find ways and means of expediting action, while the wheels within wheels of the directing organization have jammed or failed to synchronize. Back of the surplus of administrative machinery, and partially responsible for its creation, has been the struggle between Public Works Administrator Ickes and Federal Relief Administrator Hopkins for domination of the spending program—the former with convictions that projects are the thing to stress and the latter emphasizing jobs and the superiority of any sort of work relief to the dole.

When the President came to setting up his organization for spending the work relief fund he had two members of his official staff who already had been administering work relief in a large way—Mr. Ickes who had charge of spending the \$3.3 billion public works appropriation of 1933, and Mr. Hopkins who had been called in to expedite work relief through the CWA when the PWA fell short of expectations and who, as Director of the FERA, had built up his work relief rolls to over two million. To help administer the four billion dollar fund the President created three new agencies. The Works Progress Administration, with Mr. Hopkins as its head, was to have supervision of spending with a view to proper

coordination with quotas and the removable of employables from relief and to engage in such work relief undertakings as might be necessary to supplement the various federal and non-federal projects otherwise originated. The Division of Applications and Information, under Mr. Frank Walker, Director of the National Emergency Council, was to serve as a filing, expediting and final checking agency for projects and, apparently, as a possible coordinating agency for Directors Hopkins and Ickes. Finally, an Allotment Board, composed of certain cabinet members, other federal officials importantly concerned with the work relief program, and representatives of business, banking, labor, agriculture and city government, was to serve as the President's advisory council in passing judgment on projects before his final approval or disapproval. Mr. Ickes was made chairman of this group.

Projects are classified as federal and non-federal. Federal projects, those undertaken directly by the national government, may originate in any of the sixty-one federal agencies. Non-federal projects may be presented by any one of the 175,000 state and local divisions of government, but they must come up for consideration through the PWA or the WPA—the former if it is a public works project involving a loan and grant, and the latter if it is a work relief undertaking to be cared for mainly by federal expenditure. Prior to advancing through the labyrinth of checking and approving or vetoing agencies all projects were to be filed on precise and detailed forms, and at certain stages of the procedure, also run the gauntlet of the Bureau of the Budget, various legal checking agencies, the United States Treasury and the office of the Comptroller General. This somewhat simplified outline of procedure may convey some idea of why the work relief program has been slow to gain momentum.

#### 45 Per Cent Grants to Municipalities

At one stage it looked as though Mr. Ickes and the PWA had been frozen out. Practically all municipal construction projects were found to be in the prohibitively high man-year cost class and it was decided, moreover, that none of the work relief appropriation could be spared for municipal loans on this basis. After considerable shifting of policies a compromise was effected whereby municipalities would receive grants equal to 45 per cent of the cost of their projects, provided this percentage did not exceed the \$1,143 man-year quota, and would be encouraged to borrow the remaining 55 per cent through private channels. Arrangement was further made for purchase by the RFC of \$250,000,000 of municipal securities held by the PWA to create a fund from which loans at 4 per cent could be made to municipalities unable to borrow elsewhere at more favorable rates.

This still left the PWA and WPA in competition for municipal projects. In an effort to avoid confusion a statement defining the types of projects which each agency was to handle was issued jointly, early in July, by Messrs. Ickes, Hopkins and Walker. Applications are to be submitted to Mr. Ickes' organization for construction projects costing more than \$25,000 and for slum clearance and low-cost housing projects. To Mr. Hopkins' organization are to go applications for non-construction projects, for small construction projects, and for other works projects, irrespective of size, involving a preponderance of labor in their cost.

#### Hopkins to Administer Appropriation

Major differences now appear to be ironed out, confusing policies fairly well clarified, and the complicated administrative machinery placed in running order. One development stands out most prominently, however. Relief Administrator Hopkins is, and will be, the dominant figure in administering the work relief appropriation. His

is the real responsibility for getting the 3,500,000 off the relief rolls, and half or more of the huge fund will go for work relief, mainly of the emergency type, under the Works Progress Administration. This appears inevitable because of the time required for planning and initiating major construction projects, the reluctance of cities to borrow more money, the financial incapacity of many, the opportunities for local officials to bargain over work relief terms, the demonstrated ability of Mr. Hopkins to put large numbers of people to work in a short period of time, and the financial limitations to further allotment of funds.

This last item is a particularly conclusive one. With less than a third of the total of 3,500,000 employables provided for, only about \$2,000,000,000 remains for allotment. Due to delay in initiating work relief and to failure of some states to carry out their part of the program, it has been necessary to set aside or earmark for direct relief under the FERA in 1935 and 1936 some \$1.4 billion of the work relief fund. For the 2,373,000 employables yet to be cared for there remains only about \$840 a person, and it is only through the most simple forms of work relief that the fund can be extended to cover its declared purpose.

Indications are that the work relief program will be well under way by November 1. It is too much to expect that it will have reached its fullest effectiveness by that time, or that all employables will have been eliminated from the relief rolls. Much depends on the amount of swing to Mr. Hopkin's "light construction" projects and the speed with which "white collar" jobs can be created. Probably not until next Spring will the program be hitting on all cylinders, and the need for continuing some direct relief, as has already been pointed out, will curtail somewhat the funds available for work projects.

Some conjecture may be offered, on the basis of developments thus far, as to the advantages, other

than the provision of relief, which may accrue to the country from the works program.

#### Rehabilitation Possibilities Important

As a program of capital construction for permanent national, social and economic benefit it falls far short of hopeful anticipations, but nevertheless will make a major contribution along lines of conservation and rehabilitation. Rural and suburban resettlement, soil erosion control and flood control, upon which probably more than \$500,000,000 will be spent, are making a strong and necessary attack on the problems of land planning and the conservation and reclamation of the nation's agricultural resources. A well-planned beginning of a coherent rural electrification program may be anticipated, with \$95,000,000 of an available \$100,000,000 going as 3 per cent loans to utility corporations for expediting the work. Highway construction and grade crossing elimination have been allotted \$400,000,000, but the red tape surrounding final approval of state plans has brought such delay as to make much actual construction doubtful this year.

The enrollment of the Civilian Conservation Corps calls for doubling to 600,000. Still short nearly 200,000, the full quota may not be reached; but all eligible young men will be cared for. Not only is the morale and training value to the youthful unemployed of vast national benefit, but in an unspectacular yet effective manner this civilian army is contributing broadly to the conservation and efficient utilization of the country's national resources. The recent creation of the National Youth Administration, to provide opportunities for combined educational and vocational training and maintenance for young people without removing them from their normal environments is one of the most finely conceived of the relief projects in offering aid to the solution of one of the depression's most serious social problems.

#### Municipal Construction May Lag

Of municipal public works construction on a loan and grant basis under the Public Works Administration relatively little may be expected. By the last of July some 269 projects had been filed, calling for the expenditure of \$58,000,000, and grants had been approved for slightly more than half of them. Although Mr. Ickes has decentralized his organization and established agencies throughout the states the results in new construction projects are not likely to be large. There exists a wide disinclination toward further municipal borrowing, where plans are not complete the time element is a deterring factor, and local officials incline toward the smaller project largely or entirely financed through Mr. Hopkins' organization, which also has field agencies in all the States.

A considerable number of small, self-liquidating municipal enterprises is a probable constructive result of the PWA campaign. If no extensive headway is made, however, in encouraging cities to increase their tax-supported debt at this time it will be an amenity in so far as municipal financial rehabilitation is concerned.

#### Housing Takes Minor Role

Low-cost housing and slum clearance, publicized as one of the keystones of the works program and unquestionably a crying need of our cities and one of the greatest opportunities for improving the lot of the low-income masses, is receding into a minor role and offers no solution either of the housing problem or of the problem of how to stimulate the long inactive building industry. Inability to lower costs under present construction methods to bring self-liquidating projects within the rent paying capacity of the poor, difficulties and delays in acquiring land at reasonable rates, the opposition of realty interests, and, now, a decision by the Circuit Court of Appeals in Cincinnati that the government has no right

to condemn property for housing purposes are among the factors which have conspired to thwart a far-reaching federal housing program. It is still Mr. Ickes' intention, however, to utilize the \$249,000,000 allotted for housing to undertake the construction of at least one low-cost housing project in each of fifty leading cities to serve as a model for both private property owners and possible future municipal construction.

For leadership in model, low-cost housing, however, the real opportunity rests with the Rural and Suburban Resettlement Administrations. If in the extensive social planning here involved the federal government should experiment scientifically with low-cost prefabricated homes, it might well start a revolutionary revival of the building industry which would accomplish more than any other factor in completing the process of economic recovery.

#### Light Projects are Major Element

With a minimized but still important program of permanent benefit, Mr. Hopkins' "light construction" and "white collar" projects loom up as the major product of the work relief program. This does not mean, however, that a return to the "leaf-raking" days is imminent. Great ingenuity is being shown in providing for such useful jobs as repairs to streets and public property, construction of parks, playgrounds and airports, secondary road repair and construction, malaria control, pest extermination and many other types of projects of the same order. Municipalities will unquestionably benefit materially through having their deferred maintenance problems solved and their facilities broadened and modernized. Many of the jobs for professional and clerical people will involve statistical and survey projects, carefully coordinated by the Central Statistical Board, which will provide government and business with much useful and needed data.

From the work relief program in  
*concluded on page 44*



# GRAPHIC REVIEWS

## ELECTRIC REFRIGERATORS

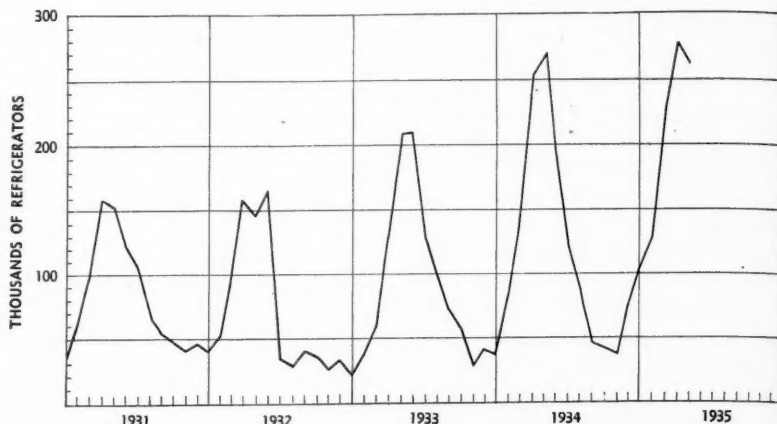
THE household electric refrigerator industry bettered all previous performances during the first five months of this year.

Industry manufacturers sold approximately 1,000,000 refrigerators to all distributing outlets during this period, according to preliminary estimates by the *Electric Refrigeration News*. This represented an increase of about 26 per cent above the hitherto record five-month period of 1934, when the estimated total was 793,500 units. The 1935 sales figure thus far is likewise more than double any other five-month period prior to last year.

During May, industry sales to dealers and distributors were placed at 261,100 units, or about 3 per cent below May of last year, when 268,600 refrigerators were shipped by manufacturers. This was the first time this year that sales declined in comparison with the same month of last year. The May figure also was 6.4 per cent under the April shipments of 279,100, which established a new all-time sales peak for the industry.

Although sales from June on to the end of the year usually tend to decrease gradually, it is confidently expected by the industry

## HOUSEHOLD ELECTRIC REFRIGERATOR SALES



Apparently household electric refrigerators are headed for a new production and sales peak during 1935. Shipments for five months totalled 1,000,000 units, or 26 per cent above the same period last year.

generally that total sales of refrigerators for 1935 will run close to the two-million-mark.

### Sales of Household Electric Refrigerators \*

|             | 1935      | 1934      | 1933    | 1932    | 1931    |
|-------------|-----------|-----------|---------|---------|---------|
| Jan. ....   | 103,400   | 38,000    | 19,400  | 39,400  | 22,700  |
| Feb. ....   | 128,400   | 82,500    | 36,200  | 52,600  | 54,700  |
| Mar. ....   | 228,000   | 149,030   | 59,200  | 91,500  | 96,600  |
| Apr. ....   | 279,100   | 255,400   | 127,400 | 158,300 | 159,500 |
| May ....    | 261,100   | 268,600   | 208,200 | 144,200 | 153,500 |
| June ....   | 187,600   | 208,700   | 163,300 | 122,200 | 122,200 |
| July ....   | 122,400   | 127,300   | 33,500  | 103,800 | 103,800 |
| Aug. ....   | 87,700    | 93,100    | 28,900  | 69,800  | 69,800  |
| Sept. ....  | 46,300    | 72,300    | 38,100  | 53,200  | 53,200  |
| Oct. ....   | 41,600    | 56,700    | 34,100  | 48,100  | 48,100  |
| Nov. ....   | 35,700    | 27,900    | 26,300  | 39,600  | 39,600  |
| Dec. ....   | 75,800    | 39,300    | 30,100  | 41,500  | 41,500  |
| Year ....   | 1,300,600 | 1,080,700 | 840,300 | 965,000 | 965,000 |
| 5 mos. .... | 1,000,000 | 793,500   | 450,400 | 486,000 | 486,800 |

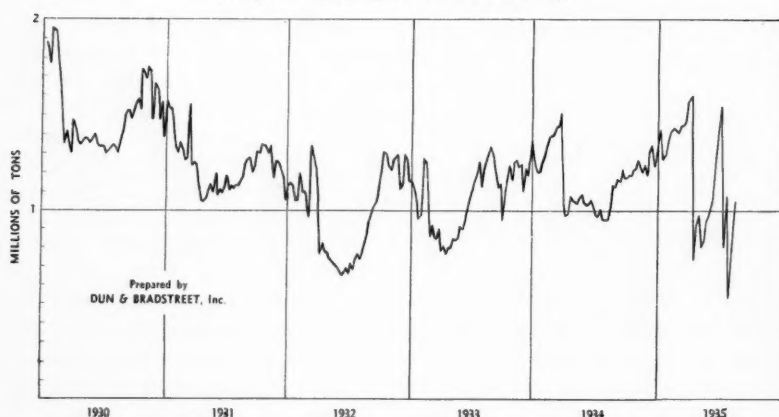
\* Source: Electric Refrigeration News.

## BITUMINOUS COAL PRODUCTION

BITUMINOUS coal mining was considerably reduced from previous months, despite the upturn which took place in the closing weeks of July. Stocking against possible labor difficulties was absent and the total output for the month fell to 22,252,000 tons, a decrease of 26.0 per cent from the preceding month, and of 10.5 per cent under the same month of last year.

Production for the first seven months of 1935, however, is about 2 per cent ahead of 1934, the output for this year totalling 211,146,000 tons for the period.

## BITUMINOUS COAL PRODUCTION



The chart shows the weekly movement of daily average production. The July average of 856,000 tons daily, was considerably lower than in June, and was about 14 per cent below the daily average of July, 1934.

### Monthly Bituminous Production \*

|             | 1935        | 1934        | 1933        |
|-------------|-------------|-------------|-------------|
| Jan. ...    | 30,393,000  | 33,371,000  | 27,868,000  |
| Feb. ...    | 34,781,000  | 32,606,000  | 27,915,000  |
| Mar. ...    | 38,848,000  | 38,470,000  | 24,413,000  |
| Apr. ...    | 21,920,000  | 24,599,000  | 19,805,000  |
| May ...     | 26,790,000  | 27,385,000  | 22,531,000  |
| June ...    | 30,067,000  | 25,877,000  | 25,461,000  |
| July ...    | 22,252,000  | 24,809,000  | 29,075,000  |
| Aug. ...    | 27,452,000  | 34,421,000  | 34,421,000  |
| Sept. ...   | 27,772,000  | 29,715,000  | 29,715,000  |
| Oct. ...    | 32,807,000  | 30,294,000  | 30,294,000  |
| Nov. ...    | 30,856,000  | 31,184,000  | 31,184,000  |
| Dec. ...    | 32,331,000  | 30,349,000  | 30,349,000  |
| Total. .... | 358,395,000 | 333,631,000 | 333,631,000 |

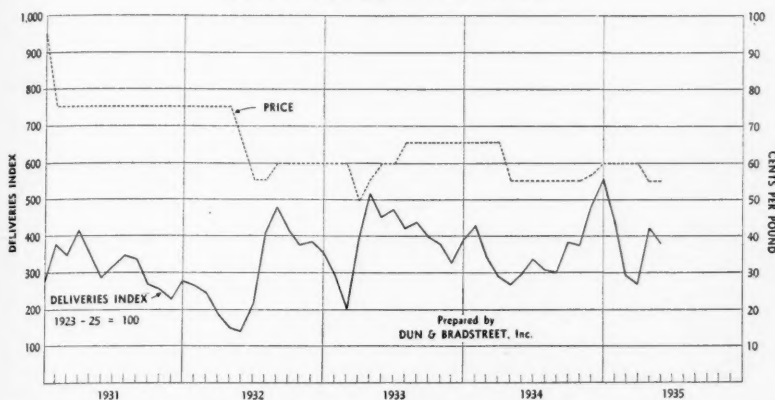
### Weekly Bituminous Production \*

|            | 1935      | 1934      | 1933      |
|------------|-----------|-----------|-----------|
| July 27... | 1,047,000 | 1,003,000 | 1,258,000 |
| July 20... | 912,000   | 974,000   | 1,203,000 |
| July 13... | 769,000   | 989,000   | 1,161,000 |
| July 6...  | 513,000   | 1,024,000 | 1,106,000 |
| June 29... | 1,080,000 | 1,075,000 | 678,000   |
| June 22... | 805,000   | 1,000,000 | 693,000   |

\* Source: U. S. Bureau of Mines.

# OF MAJOR TRENDS

## RAYON CONSUMPTION INDEX



After remaining at the 60-cent level from January to April, rayon quotations were reduced to the former price of 55 cents per pound. The decline in deliveries during June was less than is seasonally normal.

### THE RAYON INDUSTRY

THE rate of rayon (non-acetate) yarn deliveries to American mills during June, as measured by the *Textile Organon* index of deliveries, declined to 376 per cent of the 1923-1925 average from 417 in May, and compared with a 1934 monthly average of 353. This drop of 10 per cent from May to June, the *Organon* states, was less than is seasonally normal, with the result that the adjusted index increased from 439 in May to 470 in June.

As further reported by the *Organon*, the record of rayon consumption during the last few months shows that all the main rayon consuming industries have followed a fairly definite pattern since last January. The large January yarn deliveries, caused by the December price rise, were far in excess of the yarn put into fabrication during that month. From February to April, when the price was reduced to its old level, the fabrication of yarn proceeded apace, but rayon deliveries to mills decreased more than did the yarn put into consumption by the fabricators, because the yarn stocks in the hands of fabricators were reduced. By the end of May, this liquidating process had essentially

ended and a concurrent business pick-up resulted in increased yarn deliveries to fabricators for their current use.

The following table presents the unadjusted indices of rayon deliveries, compiled by the *Textile Organon*:

|            | (1923-1925 = 100) |      |      |      |      |
|------------|-------------------|------|------|------|------|
|            | 1935              | 1934 | 1933 | 1932 | 1931 |
| Jan. ....  | 553               | 383  | 353  | 273  | 279  |
| Feb. ....  | 441               | 422  | 293  | 265  | 376  |
| Mar. ....  | 295               | 340  | 201  | 246  | 347  |
| Apr. ....  | 274               | 290  | 392  | 186  | 413  |
| May ....   | 417               | 286  | 517  | 148  | 352  |
| June ....  | 376               | 305  | 450  | 137  | 288  |
| July ....  | 334               | 470  | 213  | 314  |      |
| Aug. ....  | 307               | 420  | 406  | 349  |      |
| Sept. .... | 308               | 433  | 478  | 335  |      |
| Oct. ....  | 382               | 399  | 413  | 268  |      |
| Nov. ....  | 386               | 371  | 371  | 255  |      |
| Dec. ....  | 488               | 324  | 382  | 225  |      |
| Average... | 353               | 385  | 293  | 317  |      |

### FREIGHT CARLOADINGS

THE trend in carloadings was lower during July, reflecting partly the usual Summer lull in business and the decline in coal shipments, following the temporary settlement of labor difficulties in that industry. Total loadings during July were almost 10 per cent under June and about 5 per cent below July last year, as compared with a drop of about 1 per cent in June from a year ago.

Loadings for the year to date totalled 17,404,794 cars, a loss of 2.1 per cent, compared with the like period of 1934, but an increase of 9.9 per cent above the corresponding 1933 period.

Carloadings by commodity groups for the first thirty weeks of this year and last, compare as follows:

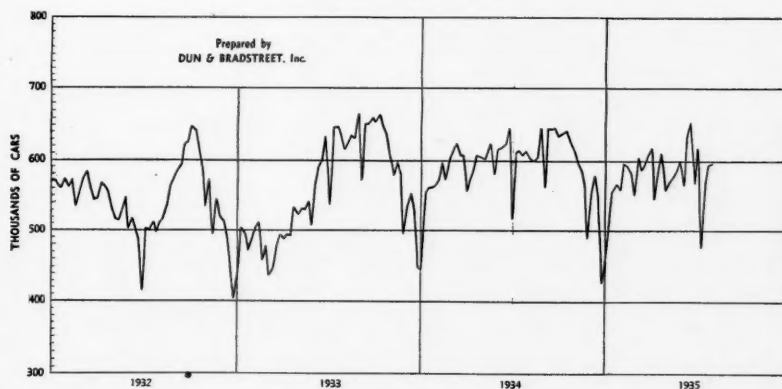
|                         | 1935      | 1934      | Change P. Ct. |
|-------------------------|-----------|-----------|---------------|
| Miscellaneous freight.. | 6,691,339 | 6,639,738 | + 0.8         |
| Merchandise (L. C. L.)  | 4,640,769 | 4,796,796 | - 3.3         |
| Coal .....              | 3,519,488 | 3,559,616 | - 1.1         |
| Forest products.....    | 740,118   | 683,462   | + 8.3         |
| Ore .....               | 469,983   | 445,975   | + 5.4         |
| Coke .....              | 193,979   | 218,297   | - 1.1         |
| Grain & grain products  | 790,152   | 949,260   | -16.8         |
| Livestock .....         | 358,966   | 494,494   | -27.4         |

### Carloadings by Weeks \*

|               | 1935    | 1934    | 1933    |
|---------------|---------|---------|---------|
| July 27 ..... | 596,462 | 610,042 | 644,839 |
| July 20 ..... | 593,366 | 616,040 | 656,380 |
| July 13 ..... | 566,488 | 604,192 | 653,661 |
| July 6 .....  | 472,421 | 520,741 | 543,510 |
| June 29 ..... | 618,036 | 646,003 | 641,730 |
| June 22 ..... | 567,847 | 623,322 | 609,627 |
| June 15 ..... | 653,092 | 618,881 | 592,729 |
| June 8 .....  | 630,836 | 616,768 | 569,157 |
| June 1 .....  | 565,342 | 579,656 | 512,974 |
| May 25 .....  | 599,543 | 625,990 | 545,551 |

\* Source: Association of American Railroads.

### FREIGHT CARLOADINGS



Freight carloadings tended lower during July, bringing the total loadings for the year to date to 17,404,794 cars, a decrease of 2.1 per cent from the 1934 period, but an increase of 9.9 per cent above 1933.



# GRAPHIC REVIEWS

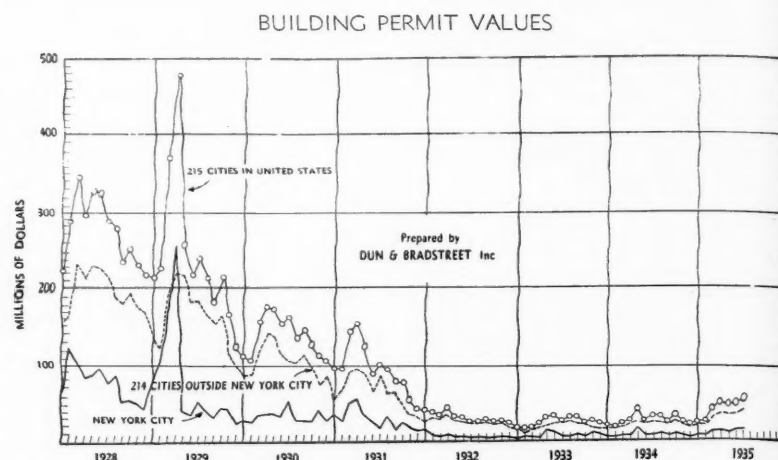
## BUILDING EXPANDS FURTHER

**A** CONTRASEASONAL increase in building activity took place during July. Instead of the normally expected decrease of about 10.5 per cent for this period, the actual dollar volume of contemplated building in July showed a rise of 2.8 per cent over June. Moreover, as compared with July a year ago, the increase approximated 60 per cent, and marked the seventh consecutive month to register a gain over the corresponding month of the previous year.

The group totals of building permit values for 215 cities for July, 1935 and 1934, are shown in the following table:

| Groups:              | July, 1935   | July, 1934   | Change P. Ct. |
|----------------------|--------------|--------------|---------------|
| New England...       | \$3,046,615  | \$5,327,137  | -42.7         |
| Middle Atlantic...   | 16,405,334   | 12,327,292   | +33.1         |
| South Atlantic...    | 6,243,688    | 3,079,583    | +102.8        |
| East Central...      | 9,889,348    | 5,111,437    | +93.5         |
| South Central...     | 4,180,102    | 2,062,951    | +102.7        |
| West Central...      | 5,064,681    | 1,693,936    | +199.1        |
| Mountain...          | 1,697,843    | 915,738      | +85.4         |
| Pacific...           | 7,604,181    | 3,381,576    | +125.5        |
| Total U. S. ...      | \$54,191,787 | \$33,899,650 | +59.8         |
| New York City...     | \$11,213,613 | \$7,908,885  | +41.8         |
| Outside N. Y. C. ... | \$42,978,174 | \$25,990,765 | +65.2         |

All except the New England section reported substantial improvement in contrast with July, 1934. Comparing the July results with June, however, four groups were higher and four lower. Among the former, the West Central made the



A further rise in the estimated value of permits issued was noted for July. The increase over June was equal to 2.8 per cent, and compared with a seasonally expected decrease of 10.5 per cent at this time.

best showing with a gain of 92.2 per cent, followed by the Mountain, East Central and South Atlantic, with increases of 70.1, 21.8 and 3.6 per cent, respectively. Declines in other groups ranged from 3.3 in the Pacific to 25.2 per cent in New England.

### Building Permit Values (Monthly)

(215 Cities)

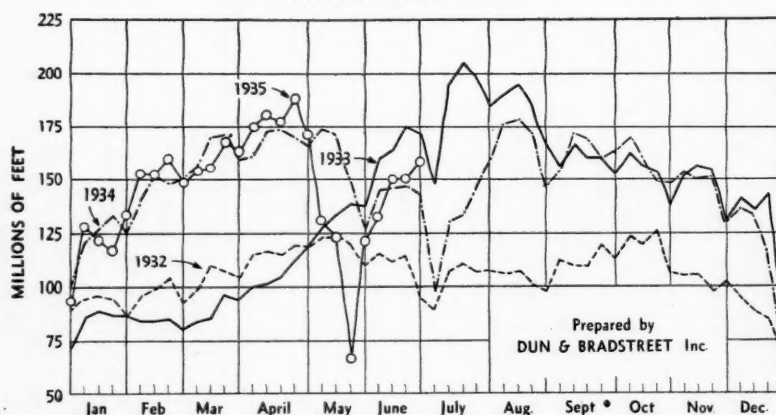
|            | 1935          | 1934          | 1933         |
|------------|---------------|---------------|--------------|
| Jan. ....  | \$20,826,268  | \$20,825,055  | \$17,744,805 |
| Feb. ....  | 27,636,367    | 19,326,964    | 17,161,943   |
| Mar. ....  | 45,063,852    | 25,505,005    | 17,798,441   |
| April .... | 51,717,570    | 29,280,666    | 22,091,417   |
| May ....   | 49,322,110    | 43,825,268    | 31,525,528   |
| June ....  | 52,672,794    | 28,621,565    | 34,098,384   |
| July ....  | 54,191,787    | 33,899,650    | 29,484,801   |
| Aug. ....  | 34,452,138    | 32,391,868    | 32,243,704   |
| Sept. .... | 26,567,925    | 37,601,122    | 26,198,342   |
| Oct. ....  | 27,459,066    | 21,125,723    | 28,021,688   |
| Nov. ....  | 21,125,723    | 24,915,270    |              |
| Dec. ....  |               |               |              |
| Total ...  | \$848,390,747 | \$813,676,276 |              |

## THE LUMBER INDUSTRY

**W**ITH the improvement in labor conditions on the Pacific Coast, lumber production showed some increase during June. Average weekly production for the month for the country, as a whole, totalled 143,378,000 board feet, as compared with 123,856,000 in May. The June figure was considerably below the high level of production obtaining during April, but was 6.5 per cent greater than in June a year ago.

The weekly average of shipments during June amounted to 149,613,000 board feet, a sharp decline from May, but an increase of 25.7 per cent, when compared with the corresponding month of last year.

## LUMBER PRODUCTION



The chart pictures the weekly movement of lumber production during the past four years. Although output in June showed some improvement over May, it was considerably below the high level of earlier months.

### Lumber Statistics\*

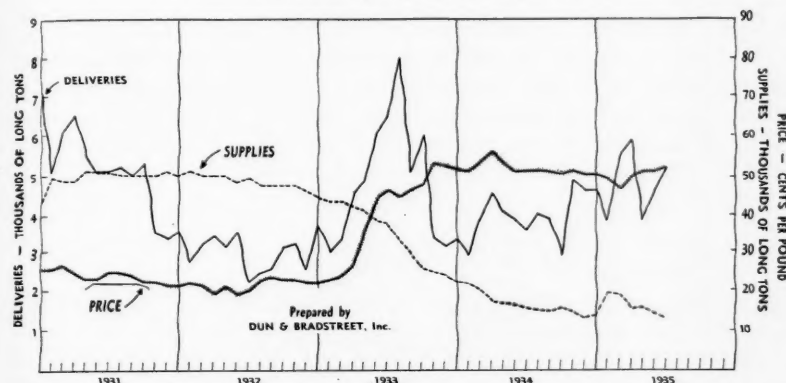
(Thousands of Board Feet)

|                                | June, 1935 | May, 1935 | April, 1935 | June, 1934 |
|--------------------------------|------------|-----------|-------------|------------|
| Production (Weekly Average)    |            |           |             |            |
| Softwoods .....                | 134,136    | 114,324   | 166,914     | 125,168    |
| Hardwoods .....                | 9,242      | 9,532     | 13,926      | 9,475      |
| Total .....                    | 143,378    | 123,856   | 180,840     | 134,643    |
| Shipments (Weekly Average)     |            |           |             |            |
| Softwoods .....                | 139,179    | 158,643   | 185,753     | 111,627    |
| Hardwoods .....                | 10,434     | 10,472    | 14,812      | 7,451      |
| Total .....                    | 149,613    | 169,115   | 200,565     | 119,078    |
| New Orders (Weekly Average)    |            |           |             |            |
| Softwoods .....                | 138,061    | 172,614   | 195,948     | 111,954    |
| Hardwoods .....                | 10,717     | 10,233    | 14,079      | 6,295      |
| Total .....                    | 148,778    | 182,847   | 210,027     | 118,249    |
| Unfilled Orders (End of Month) |            |           |             |            |
| Softwoods .....                | 729,811    | 725,808   | 657,492     | 645,121    |
| Hardwoods .....                | 152,307    | 160,711   | 158,378     | 123,977    |
| Total .....                    | 882,118    | 886,519   | 815,870     | 769,098    |

\* Compiled from weekly reports of the National Lumber Manufacturers' Association.

# OF MAJOR TRENDS

## TIN DELIVERIES, SUPPLIES AND PRICE



World tin supplies showed a further drop of 1,113 tons in July, bringing total stocks at the end of the month to the lowest point since 1919. Prices at New York rose to the highest level since May, 1934.

### WORLD TIN SUPPLIES LOW

THE world's visible supply of tin declined 1,113 tons during July, according to latest advice received by the Commodity Exchange. The total at the end of the month stood at 13,162 tons, as against 16,313 tons on the comparable day of last year. The July drop brought the current level of stocks to the lowest point since 1919.

Coincident with the decline in stocks, the price structure has been very firm. Average prices for Straits tin at New York rose to 52.29c. per pound during July from the March low average of 46.91c., and represented the highest level reached since May, 1934, when the average price paid for tin was 53.52c. per pound.

### World's Visible Tin Supplies \*

|               | 1935   | 1934   | 1933   | 1932   |
|---------------|--------|--------|--------|--------|
| January ...   | 14,694 | 22,476 | 44,223 | 50,043 |
| February ...  | 19,652 | 21,694 | 43,160 | 51,300 |
| March ...     | 19,416 | 20,423 | 43,528 | 50,780 |
| April ...     | 16,614 | 17,704 | 42,541 | 50,716 |
| May ...       | 16,718 | 17,371 | 41,883 | 50,562 |
| June ...      | 14,275 | 17,251 | 39,964 | 48,945 |
| July ...      | 13,162 | 16,313 | 38,043 | 49,125 |
| August ...    | ...    | 15,494 | 33,534 | 47,177 |
| September ... | ...    | 15,386 | 30,162 | 47,739 |
| October ...   | ...    | 16,475 | 27,940 | 47,048 |
| November ...  | ...    | 15,094 | 26,075 | 47,471 |
| December ...  | ...    | 13,698 | 23,812 | 45,796 |
| Average...    | 17,448 | 36,239 | 48,892 |        |

\* Source: Commodity Exchange, Inc.

American tin deliveries during July totalled 5,290 tons, as compared with 4,615 tons in the previ-

ous month, and 3,575 tons in the corresponding month a year ago. For the seven months' period American deliveries amounted to 33,680 tons, an increase of 7,660 tons over last year.

### U. S. Tin Deliveries \*

|            | 1935   | 1934   | 1933   | 1932   | 1931  |
|------------|--------|--------|--------|--------|-------|
| Jan. ....  | 4,600  | 3,310  | 3,725  | 3,550  | 7,210 |
| Feb. ....  | 3,905  | 2,940  | 3,045  | 2,825  | 5,100 |
| Mar. ....  | 5,495  | 3,835  | 3,330  | 3,285  | 6,120 |
| April ...  | 5,825  | 4,405  | 4,555  | 3,440  | 6,630 |
| May ...    | 3,950  | 4,110  | 4,835  | 3,135  | 5,505 |
| June ...   | 4,615  | 3,845  | 6,145  | 3,540  | 5,185 |
| July ...   | 5,290  | 3,575  | 6,540  | 2,265  | 5,100 |
| Aug. ....  | ...    | 4,045  | 8,020  | 2,585  | 5,270 |
| Sept. .... | ...    | 3,850  | 5,105  | 2,680  | 5,015 |
| Oct. ....  | ...    | 2,925  | 6,035  | 3,130  | 5,355 |
| Nov. ....  | ...    | 4,845  | 3,350  | 3,240  | 3,550 |
| Dec. ....  | ...    | 4,530  | 3,130  | 2,645  | 3,380 |
| Total...   | 46,215 | 57,815 | 36,320 | 63,450 |       |

\* Source: Commodity Exchange, Inc.

## ELECTRICITY PRODUCTION

TOTAL output of electricity in June was 7,872,000,000 kilowatt-hours, according to the Geological Survey. This was a loss of 1.9 per cent from May, but exceeded April by 0.7 per cent.

On a daily average basis, however, June production was equal to 262,400,000 kilowatt-hours, or a rise of 1.5 per cent above the daily average for May, as against a normal gain of 1.8 per cent.

### Monthly Electricity Production \*

|              | 1935   | 1934   | 1933   | 1932  |
|--------------|--------|--------|--------|-------|
| January ...  | 8,349  | 7,631  | 6,965  | 7,567 |
| February ... | 7,494  | 7,049  | 6,297  | 7,023 |
| March ...    | 8,011  | 7,717  | 6,687  | 7,323 |
| April ...    | 7,811  | 7,443  | 6,478  | 6,790 |
| May ...      | 8,021  | 7,683  | 7,013  | 6,650 |
| June ...     | 7,872  | 7,472  | 7,242  | 6,563 |
| July ...     | ...    | 7,605  | 7,491  | 6,547 |
| August ...   | ...    | 7,710  | 7,688  | 6,764 |
| September .. | ...    | 7,206  | 7,350  | 6,752 |
| October ...  | ...    | 7,831  | 7,470  | 7,073 |
| November ... | ...    | 7,606  | 7,243  | 6,952 |
| December ..  | ...    | 8,058  | 7,470  | 7,149 |
| Total ....   | 91,011 | 85,403 | 83,153 |       |

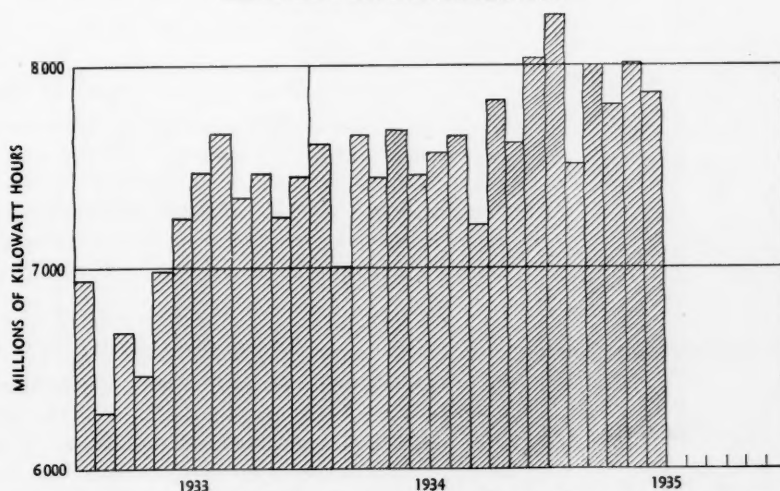
\* Source: U. S. Geological Survey.

### Weekly Electricity Output \*

|             | 1935      | 1934      | 1933      |
|-------------|-----------|-----------|-----------|
| July 27.... | 1,823,521 | 1,683,542 | 1,662,000 |
| July 20.... | 1,807,037 | 1,663,771 | 1,654,000 |
| July 13.... | 1,796,010 | 1,647,080 | 1,648,000 |
| July 6....  | 1,655,420 | 1,555,844 | 1,539,000 |
| June 29.... | 1,772,138 | 1,688,211 | 1,656,000 |
| June 22.... | 1,774,654 | 1,674,566 | 1,598,000 |
| June 15.... | 1,742,506 | 1,665,358 | 1,578,000 |
| June 8....  | 1,724,491 | 1,654,916 | 1,542,000 |

\* Source: Edison Electric Institute.

## ELECTRIC POWER PRODUCTION



Although total production of electricity during June showed a decline of almost 2 per cent from May, the output on a daily average basis rose 1.5 per cent, against a normal increase of about 1.8 per cent.

# THE BUSINESS MONTH REPORTED

## 1st Federal Reserve District



POPULATION—7,834,000; PER CENT TOTAL U. S.—6.32

Retail distribution definitely upward during July, despite heat wave; increase over comparative 1934 period averaged from 3 to 8 per cent. Tourist traffic heaviest in nearly a decade. Wholesale buying restricted, but Fall orders ahead of last year's. Average of industrial operations above June. Cotton goods production continued curtailed; woolen mills booked for several months at current schedules. Shoe output increased. Marked improvement in heavy machinery lines and building work.



## 2nd Federal Reserve District



POPULATION—16,343,000; PER CENT TOTAL U. S.—13.12

Rapid spread of consumer buying carried retail sales to largest July volume in years; total 6 to 10 per cent above 1934 figures. Trade shows helped to swell wholesale volume, which was further buoyed by firmer prices and imminence of delivery delays. For fourth successive month prices of stocks advanced; total transactions on New York Stock Exchange 29,429,387 shares, against 22,339,512 in June and 21,115,885 in July, 1934; trading exceeded million shares on fifteen days.



## 3rd Federal Reserve District



POPULATION—7,619,000; PER CENT TOTAL U. S.—6.14

While excessively high temperatures retarded consumer buying, retail sales averaged 4 to 12 per cent better than in July, 1934; stocks of Summer goods nearly cleared. Fall wholesale orders heavier than a year ago, except in dry goods. Industrial operations 15 to 20 per cent higher than for July, 1934; steel rate nearly double last year's; heavy melting scrap prices moved up sharply. Production of plumbing, heating, and electrical equipment 15 to 20 per cent larger than last year's.



## 4th Federal Reserve District



POPULATION—11,407,000; PER CENT TOTAL U. S.—9.19

Unusual upturn in retail sales during July, ordinarily one of the dullest months of year. Expanded Fall wholesale orders reflected improved farm buying power; widest gains in farm implements, hardware, paints, housefurnishings, groceries, and clothing; textile buying retarded by processing tax confusion. With exception of coal, industrial activity increased; unexpected rise in steel rate. Some makers of machinery back to 1931 schedules. Die factories rushed to fill orders.



## 5th Federal Reserve District



POPULATION—11,073,000; PER CENT TOTAL U. S.—8.92

While some lines were below the Midsummer level of 1934, in the majority the average was higher both in unit and money volume. Largest gain in retail sales. Wholesale volume made less favorable showing, especially in groceries, shoes, and paper. Fall outlook improved by higher prices for enlarged tobacco crop. Furniture manufacturers well employed. Cigarette factories on full time; sales of other tobacco products off. Crops in good condition. Building improved.



## 6th Federal Reserve District



POPULATION—11,339,000; PER CENT TOTAL U. S.—9.14

Intense heat reduced volume of retail trade toward close of month, with small merchants reporting largest decline; sales ranged 10 to 20 per cent above July, 1934, total. Fewer clearance sales in evidence. Steady flow of fill-in orders to wholesalers; retailers awaiting developments before making Fall commitments. Reports from rural sections indicated good crops, with prices satisfactory. Encouraging expansion in building operations. Steady weekly rise in rate of steel production.

# BY FEDERAL RESERVE DISTRICTS

POPULATION—18,606,000; PER CENT TOTAL U. S.—15.00

Industrial output at higher average than year ago, with widest gains in steel, farm equipment, motors, and heavy lines. Building permits nearly double last year's. Hog prices touched five-year peak during month; cattle continued firm. Retail volume largest for any July in several years. Wholesale buying widened by visitors to various trade shows; biggest attendance on record for some events. Fall buying budgets advanced 10 to 15 per cent. Mail-order houses equalled June gains.



POPULATION—9,676,000; PER CENT TOTAL U. S.—7.82

With demand broadening abruptly during last half of month, retail sales rose 15 to 20 per cent above comparative 1934 total. Fall wholesale orders only slightly ahead of last year's; good crops and depleted inventories indicate best season since 1930. Level of industrial operations raised. Stove plants at capacity; full schedules maintained by manufacturers of electrical goods. Shoe output 2 to 3 per cent ahead of year's comparative. Building work increased; rents advancing.



POPULATION—5,370,000; PER CENT TOTAL U. S.—4.35

General business in this district for July exceeded expectations, with industrial concerns, wholesalers, and retailers reporting absence of seasonal slackening. Despite serious damage to Spring wheat by black rust, Northwest to harvest largest crops in nearly a decade. Uptrend in industrial operations headed by electrical equipment, automobile parts, farm implements, and machine tools. Abrupt drop in unemployment. Flour market quiet. Tourist traffic heaviest in last five years.



POPULATION—7,967,000; PER CENT TOTAL U. S.—6.42

Higher prices for wheat and hogs benefited retailers; some merchants reported sales as high as 20 to 25 per cent above last year's. Wholesale volume averaged 10 to 15 per cent larger, due to rush orders for immediate needs; Fall buying of moderate proportions, but outlook is best in several years. Stocks nearly depleted. Operations in lumber mills steady; flour milling situation unimproved. Sharp reduction in relief rolls. Crop conditions spotty, due to storms and black rust.



POPULATION—7,078,000; PER CENT TOTAL U. S.—5.72

Most encouraging development of month was the improvement in some of the heavier basic industries, including mill and industrial machinery, hardware, building materials, plumbing supplies, and chemicals. Retail trade recovered from sluggishness of June, with volume 5 to 12 per cent above last year's; total for seven months up 20 to 30 per cent. Wholesale markets buoyed by encouraging crop prospects; largest Fall trade in five years foreseen. Wide expansion in building lines.



POPULATION—9,758,000; PER CENT TOTAL U. S.—7.86

Heaviest vacation and tourist travel in nearly a decade and partial settlement of lumber strike brought retail trade for July close to the high point for the year. Marked advance in wholesale buying in all lines; future commitments largest in months, due to low stocks. Course of manufacturing operations upward. Motion picture production further advanced. New oil drilling and mining exploration continued. Canned fruit and vegetable markets rather quiet. Crop conditions good.

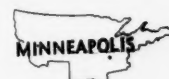
7th Federal Reserve District



8th Federal Reserve District



9th Federal Reserve District



10th Federal Reserve District



11th Federal Reserve District



12th Federal Reserve District





# AUTOMOBILE SALES RUNNING AHEAD OF EARLY ESTIMATES

THE automobile industry has succeeded in reaching a stronger position than at any time since 1929, making its most rapid strides since the annual shows in January. The new models widened demand sufficiently to give an almost uninterrupted rise in output. Production of cars and trucks in the first half of 1935 will exceed that of the first six months of 1934 by more than half a million units. In fact, it now seems possible that output this year may run well ahead of the 20 to 25 per cent increase over 1934, which was earlier accepted as a conservative estimate, and may come close to 30 per cent.

Any consideration of automotive activities during the remaining six months must account for two factors. First, the used-car situation. Although current stocks are regarded as not excessive, turnover is at a slower rate, and many dealers are hampered in their operations, because their profits are tied up in used cars. Second, the November Automobile Show. This early display of new models automatically will curtail the 1935 selling season. If retail demand continues at the present level, 1935 models may be kept on the assembly lines until late September, though some factories have set the middle of August as a deadline. It seems certain, however, that the "Big Three" will have adequate stocks of new models available by November 2.

In general, no radical changes are contemplated in 1936 offerings. Modifications will affect chiefly the body lines, such as new hoods and fenders, with die changes nominal. One concern manufacturing cars in the low-price bracket doubtless will make

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*Distribution of automobiles running 20 to 100 per cent ahead of year ago, with average for first five months 35 to 40 per cent higher than in 1934. Sales for year expected to exceed all totals back to 1929. Demand may cause postponement of start on 1936 production until after Fall show.*

certain distinctive changes. Another important manufacturer plans to introduce a new twelve-cylinder car nominally priced, while one of the independents will return to its previous policy of turning out custom-built cars at a slightly higher price.

## Largest Output Since 1929

Automobile manufacturing has experienced an exceptional recovery thus far in 1935, with output for the first five months exceeded only in 1926 and 1929 in the history of the industry. The upswing that started in April, 1933, gathered sufficient momentum to enable output in every month in 1934, with the exception of September and October, to exceed the comparative totals of the year preceding, and the advantage was maintained by a higher percentage in the first five months of 1935. With production in April the highest for any month since August, 1929, the number of automobiles produced in the United States from January to May, inclusive, reached 1,900,817 units, an increase of 35.0 per cent over the 1,407,786 units turned out in 1934.

This increase followed a gain of 43.4 per cent in 1934, when United States automobile production advanced to 2,753,111, from 1,920,057 units in 1933, and 100.9 per cent above the 1932 total of 1,370,678. While estimates for the combined production of United States and

Canada for 1935 range from 3,525,000 to 3,600,000 units, it now seems assured that all totals will be exceeded back to 1929. In the latter year, the all-time peak was established at 5,621,715. Production for 1936 is being estimated at 25 to 30 per cent in excess of the 1935 figures, although some of the small makers are planning for an even larger increase.

## Registrations Still Rising

The expansion of automobile sales since the uptrend started in the Spring of 1933 has broadened to such an extent that for some months of 1935 new passenger car registrations have doubled the comparative 1934 figures, with the increase for the first quarter set at 72.6 per cent. At the close of 1934, registrations totalled 24,926,185, a gain of 4.7 per cent over 1933, making the first increase that had been recorded since 1930. This compared with world registrations of 37,927,121, as of December 31, 1934.

The gain of 72.6 per cent in new passenger car registrations in the first quarter of 1935 lifted the total 43.9 per cent above the five-year average for that period, despite the wide variance that appeared in the percentages of gain recorded for the different sections of the country. With the exception of the New England States, the gain for every district was in excess of 50 per cent, with the Pacific Coast States leading with an advance of 90.4 per cent. The East North Central group was second with an increase of 88.3 per cent. The gain for the New England States over the 1934 figures amounted to only 46.9 per cent.



### Used-Car Sales Slow

Retail sales have followed closely the trend of production, as dealer stocks are reported to be in normal condition and have reached the highest level in three years. In line with the sharp increase in new-car sales, however, dealers have accumulated large inventories of used cars. This has created a serious problem in the industry, as there practically is no credit available for the dealer, other than under the "floor plan" method of financing.

As a result, there has been no credit expansion accompanying the increased sales volume, and dealers have had to carry the heavy used-car load on their own capital, which has been stretched to the breaking point in a large number of cases. Used-car sales at present are reported to be steady but slow.

Prices have shown no marked increase during the current year. Financing in the automotive field is confined principally to consumers' purchases. The trend this year has been toward longer-term contracts, with sixteen-month contracts about as numerous as those for twelve months. This is in line with the desire of the consumer not to obligate himself beyond his ability to pay. Collections on all types of contracts have been good and there has been practically no foreclosing.

### Atlanta

Retail distributors of low and medium-priced cars report output in both value and units at a level of about 10 per cent higher than a year ago, but with April and May retarding an otherwise healthy gain for the comparative period. Car dealers have all suffered from a glutted used-car market, with merchandise on hand increased from 75 per cent to 100 per cent over a year ago.

### Baltimore

Distribution of new cars in Maryland during the first five months of the year showed an increase in units of 59 per cent over the corresponding period of 1934.

The used-car market has been unusually active during the entire season, the improved earning power generally being viewed as an important contributing factor.

### Boston

The registration of all cars in Massachusetts for the first five months of 1935 was 774,621, compared with 760,000 in 1934. The unseasonal weather slowed down sales somewhat this year and more stable conditions in the industry have caused volume to be more evenly distributed by months instead of having all sales crowded into a brief period.

### Cincinnati

During the first five months of 1935, there were 8,094 new cars registered in Hamilton County, as compared with 5,937 during the same period in 1934. Used cars sold during the first five months of 1935 amounted to 31,326, by a comparison with 25,884 during the same months of 1934.

### Cleveland

New passenger car sales in Cuyahoga County in the first five months of 1935 increased nearly 70 per cent over the corresponding period of 1934. Used-car sales were up 51 per cent, and truck registrations showed a gain of 23 per cent. Registrations of new passenger cars in Ohio in the first four months increased 68 per cent, while commercial car registrations were 26 per cent greater.

### Dallas

During the first five months of 1935 there were 6,192 new motor vehicles registered at Dallas. This represented an increase of 40 per cent, as compared with the registrations for the corresponding period of 1934. The combined figures of a representative list of dealers showed a unit turnover in used cars of 118 per cent, and a value turnover of 107 per cent for May.

### Detroit

Automobile manufacturing, which is centered in Detroit, has experienced an exceptional recovery during 1935. Production for the first five months of the current year totalled 2,035,883 units, compared with 1,474,443 units for the corresponding period of 1934, or an increase of approximately 38 per cent.

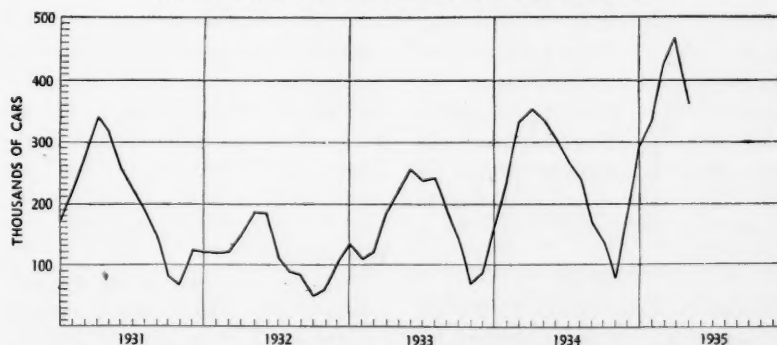
Only in 1926 and 1929 in the history of the industry has production exceeded that of the current year.

### Indianapolis

New-car sales for the first five months of 1935 showed a gain of approximately 60 per cent over the same period of 1934. The high peak of distribution was reached in March, April showing a decline of 5 per cent from the previous month, and May showing a drop of 18 per cent over April.

Used cars were in rather strong demand, but stocks held by the dealers were considerably larger than the 1934 figures.

UNITED STATES AUTOMOBILE PRODUCTION



With production in April the highest for any month since August, 1929, the number of automobiles produced in the United States from January to May, inclusive, reached 1,900,817 units, an increase of 35.0 per cent over the 1,407,788 units turned out in 1934. This increase followed a gain of 43.0 per cent in 1934.

### Kansas City

The representative new-car dealers report that sales for the five months of this year exceeded the total for 1934. Despite unfavorable weather during the month of May, sales showed a substantial increase over May of 1934, some dealers reporting a gain of as much as 100 per cent.

### Los Angeles

Automobile production and sales in this district always correspond as manufacturing is done only for orders. Production averages 150 to 175 per cent ahead of the same period of 1934. This applies to both value and units, as price changes have been negligible.

### Milwaukee

Many concerns report the best volume since 1930, with sales running from 20 to 35 per cent ahead of last year's. Prices have held steady. Local dealers report the demand so brisk for some makes that it is difficult to meet delivery dates. The present outlook is for continued improvement in the industry.

### Norfolk

Dealers' sales are up an average of 15 per cent, ranging from 20 to 25 per cent on the smaller cars down to about a 10 per cent gain in the medium-priced and high-priced cars. While there is some uncertainty in the trade as to the future of the code, the local tendency is to carry out voluntarily all code provisions.

### Omaha

Passenger cars for the first five months registered in Douglas County were 3,208, as against 2,597 for the same period last year. Interest has been evident principally in the popular-priced field, and the optimism expressed by dealers in this class, as reported in January, apparently was well founded.

### Pittsburgh

Sales of automobiles thus far this year have been materially greater than they were in 1934, and many similar periods since 1930.

For the first five months of 1935, new registrations of passenger cars in Allegheny County, which includes Pittsburgh, exceeded those for the same period of 1934 by nearly 50 per cent.

While commercial cars did not show a similar gain, registrations for the first five months of this year were more than 10 per cent greater than in the 1934 period.

### Portland, Ore.

Sales of automobiles here during the first five months of 1935 practically were double those for the same period last year. While the bulk of the volume was in the lower-priced field, demand for the better cars increased noticeably over the past year or two.

### Richmond

Automobile distributors report unit sales for the first five months of 1935 about 25 per cent ahead of those for the comparable period of 1934. The marked activity in new jobs naturally has been accompanied by substantial additions to used-car inventories. Consequently, dealers generally are stocked beyond the demand point, and the movement of this surplus has become a serious problem.

### Rochester

Sales for the first five months of this year, in comparison with the first five months of 1934, were 53 per cent ahead. A large percentage of sales continues to be made in cars retailing at \$1,000.

While in the class of \$1,200 to \$1,500 some increase has been made over a year ago, it has been small.

### Seattle

Dealers in new automobiles in Seattle report increases in sales for the first five months of 1935 at 50 per cent over those for the same period in 1934. However, the month of May saw a drop, resulting in sales about equalling the 1934 figures.

This decrease is partly attributed to the labor difficulties encountered in this section during May as well as legislation put into effect to tax all sales.

### Further Failure Reduction

With the number of failures for the first five months of the current year totalling only 113 for manufacturers, wholesalers, and retailers of automobiles, supplies, and accessories, and the involved liabilities reduced to \$1,457,834, the downtrend of bankruptcies which started in 1932 has become more accentuated. As far as the defaulted indebtedness is concerned, the curtailment thus far this year has been most pronounced in the manufacturing division, while the drop in number has been larger among distributors.

This improvement followed a reduction of 40.2 per cent in the number of bankrupt concerns recorded for 1934, as compared with the showing of 1933, while in the latter year there was a decline of 60.4 per cent from the 1932 total. The all-time high for the number of failures in the automobile industry was reached at 1,351 in 1930, but it was not until 1932 that the money lost through failures established a peak at \$38,347,401.

The complete insolvency record of the automobile industry since 1930, including the elapsed five months of 1935, as compiled by Dun & Bradstreet, Inc., shows:

#### Manufacturers

(Automobiles, Automobile Supplies and Accessories)

| Year       | Number | Liabilities |
|------------|--------|-------------|
| 1930.....  | 196    | \$5,410,562 |
| 1931.....  | 114    | 2,832,260   |
| 1932.....  | 115    | 10,905,517  |
| 1933.....  | 34     | 972,514     |
| 1934.....  | 24     | 3,307,455   |
| 1935*..... | 14     | 317,556     |

#### Wholesalers and Retailers

(Automobiles, Automobile Supplies and Accessories)

| Year       | Number | Liabilities  |
|------------|--------|--------------|
| 1930.....  | 1,155  | \$23,733,170 |
| 1931.....  | 824    | 15,895,764   |
| 1932.....  | 872    | 27,441,884   |
| 1933.....  | 357    | 9,509,054    |
| 1934.....  | 210    | 5,098,997    |
| 1935*..... | 99     | 1,140,278    |

(\*) January to May, inclusive.

These statistics of commercial failures are exclusive of applications under Section 77B. From June 7, 1934, when Section 77B of the New Bankruptcy Act became effective, to June 20, 1935, applications were filed under this section by 10 manufacturers in this industry and by 13 wholesalers and retailers.

# PAINT TRADE SURPASSING ALL RECORDS BACK TO 1930

**F**OLLOWING an increase of 25 to 30 per cent in 1934 over the volume of business transacted in 1933, the progress of the paint trade has been even more marked thus far in 1935, despite the curtailment of outdoor activity during April and May because of unfavorable weather conditions. While retail sales are averaging 15 to 20 per cent in excess of the 1934 totals, the increase in some districts has run as high as 50 to 70 per cent, revealing the steady expansion in the demand for household paints which has been in progress since the recession of last Summer.

Greater activity in the automobile industry and general improvement in other manufacturing lines has stimulated demand for industrial paints. Most plants operated at capacity levels during the first quarter and, in some instances, earnings were the highest since 1929, even though sizable increases were recorded for both employment and pay rolls.

Sales of wallpaper have been increasing steadily, with stronger attention accorded the better qualities, and indications favor a progressive betterment in this trade during the balance of the year. The outlook for both paints and wallpaper is particularly bright, in view of the increasing interest in modernization and the preservation of property which has received almost no care for several years.

Stimulated by the necessity for making long-delayed repairs, volume is expected to continue ahead of 1934. Any revival of residence construction will improve the future demand correspondingly, as paint stocks in the hands of distributors in most parts of the

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*With production at a five-year peak, and distribution ranging 15 to 50 per cent larger than in 1934, the paint trade is recovering at a rapid rate. Demand broadened for both industrial and household products. Wallpaper sales accelerated by increased property repairs. Further reduction in failures.*

country are lower than a year ago.

## Largest Output in Five Years

During the closing quarter of 1934, manufacturers of paints reduced their schedules gradually, but the recession was less than seasonal, and production remained above that of 1934. Operations were increased sharply in January, and were advanced further during February, March, and April.

In the latter month, total sales, as reported by 586 manufacturers of paint, varnish, and lacquer products, to the Bureau of Census, were \$33,721,326, which exceeded the 1934 peak reached in May at \$33,614,719, and was the highest recorded for any month since June, 1930, when sales were valued at \$36,498,000.

This brought the total sales of manufacturers for the first four months of 1935 up to \$104,471,162, which exceeded the comparative 1934 total of \$89,113,273 by 17.2 per cent, and was 88.0 per cent in excess of the 1933 total of \$55,563,485. The figures for the first four months of 1932 of \$73,866,526 were surpassed by 41.4 per cent, and those of 1931 of \$99,855,000 by 4.6 per cent.

The comparison with the 1930 total, however, which was \$126,317,000, revealed a decline of 17.3 per cent. For twenty-four consecutive months, or since May, 1933, sales each month have been maintained at a higher level than

that for the comparative period of the year preceding. Although quotations on raw materials have advanced around 30 per cent, prices of manufactured paints are not much more than 15 per cent higher than two years ago. The last increase of any consequence made by manufacturers of paints was in December, 1933.

## Prices Still Low

Labor costs, which went up with the inauguration of the code in the Fall of 1933, were covered by the price lists of December, 1933. The increase in the price of raw materials since that time, however, has not been passed on to the consumer, the differential having been absorbed by the manufacturers.

Manufacturers report that their collections from wholesale distributors are better than at any time during the past four years. Credits tightened a year or more ago and doubtful risks have been sold on a cash or C.O.D. basis since that time, effecting easier collections and fewer delinquencies.

Collections with both wholesalers and retailers are averaging from 20 to 25 per cent better than during the opening months of 1934. As the margin of profit is somewhat larger than a year ago, when Government orders were heavy, most concerns are in the best financial position that has been attained since 1929.

## Wallpaper Demand Broadening

The wallpaper trade has been benefited by the increased expenditures for improvements by apartment house and home owners, with the Spring season generally reported as the best in several years. Emerging from a rather



prolonged period of inactivity, manufacturers have brought out such an alluring variety of fresh patterns and new colors that all price ranges can be met.

In contrast to a year ago, when the cheapest grades received the major share of attention, this season it is the medium and higher-priced qualities which are classed as the best sellers. Both the medium and better grades are being used by owners of apartments and rental property, while the inexpensive merchandise is being bought chiefly by consumers doing their own work.

Sales of wallpaper for the first five months of the year averaged 15 to 30 per cent in excess of the comparative 1934 figures, although on the Pacific Coast the gain amounted to 40 to 65 per cent, with the higher-priced items receiving the most attention. While production for 1934 ranged from 15 to 25 per cent in excess of the rollage turned out in 1933, some of the manufacturers reduced schedules during March and April, and did not increase employment until the early part of May.

As a result, production for the first five months of 1935 was not more than 10 to 20 per cent larger than that for the corresponding months of 1934. The average level of prices is about the same as a year ago.

#### Atlanta

Output of paints and wallpaper has shown an increase of 30 per cent, both in dollar and unit sales. The best-selling items are ready-mixed house paints and washable wallpaper.

While raw materials have advanced approximately 30 per cent, prices of manufactured products have increased but 15 per cent. The opinion is advanced that the differential has been absorbed by the manufacturer for the purpose of stimulating sales. The outlook is a very satisfactory one.

#### Baltimore

Production of paint was somewhat off during the closing months

of last year, but has since risen steadily. The demand has been stimulated as a result of the home renovation program and output now is showing an increase of some 20 per cent in dollar value over last year.

Demand for wallpaper likewise has improved, the present output being up about 15 per cent over the corresponding period of last year.

#### Boston

Both the paint and wallpaper trades in Boston reported a moderate increase for the first four months of 1935 over the corresponding period of 1934, and the outlook is considered favorable for the next quarter.

Dollar and unit sales have increased 15 to 20 per cent. Employment and pay rolls are generally the same, with some slight gains. Wallpaper prices are slightly lower and paint prices are somewhat higher.

#### Buffalo

Manufacturers of paints in the Niagara frontier area report that the first four months of 1935 show-

ed a 25 per cent gain in volume of production over the corresponding period of a year ago, with prices remaining substantially the same.

Production in the wallpaper trade shows an increase over a year ago of 20 per cent in units and dollar values, with no change in prices. Orders for the better grades have increased.

#### Cleveland

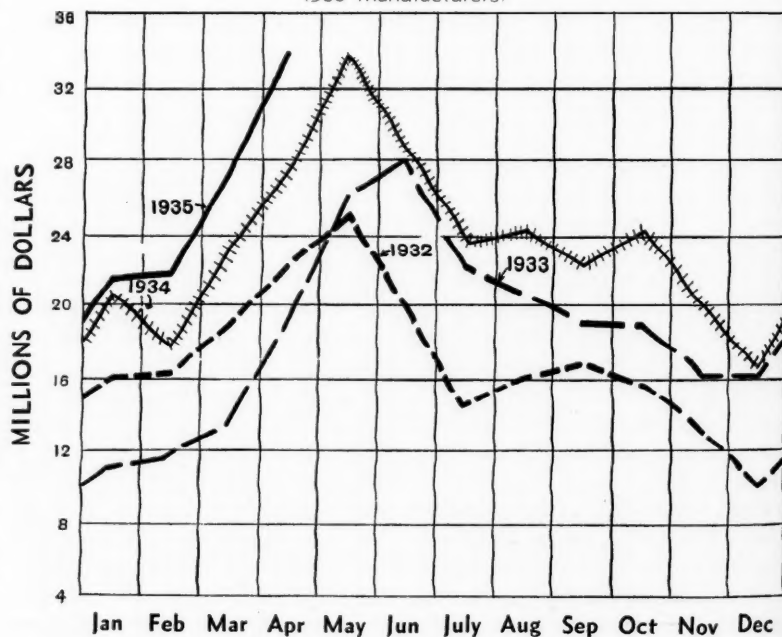
Further marked progress has been made by the paint industry this year. Sales of leading manufacturers have shown gains of 25 to 30 per cent over 1934. Plants were operating near capacity levels during the first quarter.

Retail paint prices are moderately higher than a year ago, reflecting increased costs of raw materials, particularly oils. Wallpaper prices have shown little change.

#### Dallas

Sales in this trade were running 5 to 10 per cent ahead of last year until April, when a moderate slump set in. Most dealers expect to just about break even during the

SALES OF PAINT, VARNISH AND LACQUER PRODUCTS \*  
(586 Manufacturers)



(\* ) Based on statistics compiled by Bureau of Census.

For twenty-four consecutive months, or since May, 1933, sales each month have been maintained at a level higher than that of the comparative period of the year preceding. In April, the total rose to \$33,721,326, which exceeded the 1934 peak reached in May, and was the highest for any month back to June, 1930.

Summer months, hoping to stage a recovery in the Fall.

#### Detroit

Leading paint manufacturers report current increases ranging from 12 to 25 per cent over a year ago. Automobile paints and lacquers have been most active in the line, the increase running from 25 to 40 per cent. Household and industrial paint manufacturers have experienced heavier demands and are running from 15 to 20 per cent ahead of the same period in 1934.

Wholesalers of wallpaper started the year with a 30 per cent larger volume, but by May 15 this gradually had declined to 10 per cent. There has been no material change in prices. The better merchandise, in the wallpaper field, has been in the strongest demand.

#### Indianapolis

Production and distribution of paint products has increased about 23 per cent over the same period of 1934, with enamels and industrial finishes in greatest demand. Prices now are slightly higher, but no change is anticipated in the immediate future.

Industrial finishes to furniture factories have nearly doubled in volume over a year ago, and the activities of the Government have increased the output of shelf goods.

#### Kansas City

The leading retail paint and wallpaper dealers report that business has been satisfactory during the season, some dealers showing an increase in volume of as much as 70 per cent. Unseasonable weather during May curtailed paint sales, but sales of wallpaper were larger. There is a tendency on the part of the buyers to select a better class and more expensive line of merchandise. Prices generally are steady.

#### Los Angeles

The production of paint among Los Angeles manufacturers exceeds by 15 per cent last year's

total. Price changes being very slight, distribution has held to the same percentage of gain. House paints and varnish are moving better than industrial paints.

Wallpaper has shown a surprising spurt this Spring, and sales are 40 per cent ahead of last year's. The better-priced items show the best demand.

#### Minneapolis

Manufacturers and wholesale dealers in paint are enjoying a current volume of 20 to 25 per cent above that of a year ago. At that time retail dealers were well stocked, having previously made substantial purchases in anticipation of increased prices. Current purchases are being made without any such incentive, but because of depletion of stocks.

#### Omaha

Paint sales are about 18 per cent behind the first four months of last year, due principally to the unfavorable weather, but also to the elimination of C.W.A. work, which constituted quite a percentage of the volume last year. Profits have been much better so far this year, due to the fact that C.W.A. work in 1934 was sold on a very close margin.

#### Richmond

Manufacturers and wholesalers of paints report the volume of business for the first four months of 1935 approximately 15 per cent ahead of that for the corresponding period of last year, both in dollars and tonnage.

Leading manufacturers and dealers here look for the continued maintenance of the volume at a level above that of 1934. Prices continue firm, particularly on lead, oxides, and linseed oil, the basic ingredients.

#### St. Louis

Local paint concerns reported their dollar volume to be about the same as for the corresponding period last year. The prolonged spell of unfavorable weather hampered sales to some extent.

In some instances, selling prices are reported to be about the same as at this time last year. In others, a nominal advance of about 5 per cent is indicated. Low-priced paint is still understood to be in steady demand, however, but the trend appears to be turning more and more toward medium and better grades of merchandise.

#### Seattle

Wholesalers of paint and wallpaper in this section report substantial increases in sales volume during the first four months of 1935 over the same period in 1934. With paint dealers, increases ran from 10 to 15 per cent over last year, while wallpaper dealers estimate their gains from 40 to 65 per cent. This increase, in part, is attributed to governmental activities in home modernization.

#### Failure Downtrend Extended

For the first five months of the current year, the monthly average of failures in the paint trade has been reduced about one-third from the 1934 average, while the involved liabilities have been cut nearly in half. Thus, the downtrend which has been in evidence since 1932, when the peak was established at 158 for the total failures of manufacturers, wholesalers, and retailers of paint, has been more accentuated thus far in 1935.

The complete insolvency record of the paint trade since 1927, including the first five months of 1935, as compiled by Dun & Bradstreet, Inc., shows:

#### Manufacturers of Paint

| Year       | Number | Liabilities |
|------------|--------|-------------|
| 1927.....  | 11     | \$261,600   |
| 1928.....  | 13     | 272,575     |
| 1929.....  | 23     | 336,003     |
| 1930.....  | 20     | 1,152,556   |
| 1931.....  | 26     | 2,592,024   |
| 1932.....  | 45     | 1,453,839   |
| 1933.....  | 20     | 840,626     |
| 1934.....  | 16     | 641,713     |
| 1935*..... | 7      | 91,100      |

#### Wholesalers and Retailers of Paint

| Year       | Number | Liabilities |
|------------|--------|-------------|
| 1927.....  | 85     | \$932,229   |
| 1928.....  | 84     | 791,019     |
| 1929.....  | 91     | 5,650,373   |
| 1930.....  | 116    | 1,843,693   |
| 1931.....  | 109    | 1,546,173   |
| 1932.....  | 113    | 1,333,436   |
| 1933.....  | 98     | 1,410,649   |
| 1934.....  | 87     | 612,699     |
| 1935*..... | 26     | 234,927     |

(\*) January to May, inclusive.



# SMALLER GAINS RECORDED FOR DRUG TRADE SINCE JANUARY

**A**FTER an auspicious start in January when both dollar and unit sales of drugs and pharmaceutical supplies gave promise of extending the gains which had been recorded for 1934, the fluctuations in demand during the months that followed slowed the rate of improvement perceptibly. Retail sales for the first six months of 1935 barely were more than 3 to 5 per cent ahead of the 1934 total, while wholesale volume was higher by not more than 8 to 10 per cent. In most divisions, production schedules were lowered, and in a number of cases did not equal those of the year preceding.

Manufacturers of pharmaceutical products used by the physician made the best showing, with output averaging about 10 per cent above last year's. For the two basic divisions of the industry, prescription materials and nationally-advertised products, no increases of consequence were made, except where wide publicity was concentrated on a particular offering. In many branches, export sales exceeded those in the domestic division. Special vitamin products have met with ready sales, and package medicine manufacturers have opened up new fields through extensive research work.

Retailers and wholesalers are following closely the plans of manufacturers to establish minimum retail prices for trade-marked products under various State fair-trade laws, which will protect both distributors and consumers against injuries and uneconomic practices in the sale of drugs and cosmetics of standard quality. While the outlook is not considered bright, it is hopeful, but the benefits accruing from larger crop returns

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*In spite of an increase in orders during May and the early part of June, production for the second quarter was somewhat below the reduced level of the first one. Output for the six months 10 to 12 per cent ahead of 1934, with retail sales higher by 3 to 5 per cent. Prices about the same as a year ago.*

will not be felt until late Summer.

## General Output Reduced

In contrast to the widening of schedules during the first half of 1934, there has been a gradual recession in the production of drugs during the first six months of 1935. During January most of the manufacturers were ahead of their operating rate for the final quarter of 1934 by 15 to 25 per cent, but started to curtail output toward the close of February. Although there was an unexpected pick-up in orders during May, operations for the second quarter failed to rise above the reduced level of the first quarter.

In spite of the irregular downward trend, however, reports from some of the leading centers of production revealed increases of 10 to 12 per cent over the figures for the comparative six months of 1934, with a wider increase indicated during the Summer and Fall months. Although some of the leaders feel confident that the year will close with a margin of gain over 1934, a sharp increase will be required to overcome the poor showing of the first and second quarters.

For, although the first quarter is the most active period of the year for most manufacturers, many of the concerns showed a decline in net earnings ranging from 5 to 16 per cent, as compared with the results for the first quarter of 1934.

The steady shrinkage during the second quarter deepened the loss, so that prospects are not particularly favorable for 1935 earnings equalling those of 1934, which in many instances were the largest since 1930.

The trend of distribution thus far this year has been decidedly uneven. Sales widened uninterruptedly during January and the early part of February, but receded steadily from that period until late in March. Demand during the early part of April was stronger, but again declined until mid-May. Since then, the trend has been more evenly upward. As a result, the increase in sales over the total recorded for the first six months of 1934 did not average more than 3 to 5 per cent, despite gains of 8 to 15 per cent reported for some districts.

## Sales Gains Moderate

While the nullification of the N.R.A. thus far has brought no modifications of consequence in hour and wage scales, steps are being taken to maintain the most helpful features of the National Retail Drug Trade Code. The members of the Drug Institute of America, Inc., also have launched an extensive stabilization program designed to correct many of the unfair trade practices in the distribution of drugs and allied lines through various retail channels.

Drug specialties, sundries, toilet goods, pharmaceutical supplies, household remedies, cosmetics, and patent medicines are the leaders among the current best-selling items. Due to the late Spring sales of insecticides have been below the seasonal volume. Liquor sales have contributed less to the distributive totals than a year ago,

due to the opening of so many exclusively liquor retail establishments.

#### Price Fluctuations Narrow

Price changes in either direction have been slight thus far this year, although some items are higher by 8 to 10 per cent, while others are lower by 3 to 5 per cent. The stability of the trend has been carried through almost the entire list of patent medicines and pharmaceutical supplies, with the upward revisions recorded for a few of the drugs. The present level, on the whole, is about where it was a year ago, with continued firmness in prospect.

Since the invalidation of the N.R.A., there has been a renewal of price-cutting and the featuring of "loss leaders" to stimulate sales. These practices have weakened the price structure, particularly in those cities where the independents have attempted to undersell the chains.

Collections in some instances have shown a less favorable trend since April, but accounts generally are in better condition than a year ago. Both manufacturers and wholesalers report bad debt losses as comparatively small, and credit policies have become somewhat more lenient. Many small retailers, however, are being sold on a cash basis.

#### Atlanta

The drug trade reports reductions both in value and unit sales, the former about 2 per cent and the latter about 5 per cent. Drug specialties and sundries continue to be the best-selling items, with a good demand for seasonal merchandise.

Prices appear to be stabilized, with no change anticipated. No degree of improvement is looked for, but both wholesalers and retailers express the opinion that business will hold its own.

#### Baltimore

Production of drugs in this market reached abnormal heights during the first quarter of 1935.

Although output gradually has tapered off since early Spring, the volume continues 8 to 10 per cent above the comparative 1934 period.

Wholesale distribution during the same period increased as much as 100 per cent over last year, but with the opening of Spring fell off considerably and continued on the downward trend until June, when sales again registered an increase. Present volume is about 12 per cent larger than in the preceding year.

#### Boston

At the present time, the best-selling items seem to be toilet goods, household remedies, and pharmaceutical supplies in that order. It is estimated that the increase in distribution is about 10 per cent over that of last year.

Prices have decreased from 10 to 15 per cent from last year, but no change is likely to occur in the immediate future. The immediate outlook for better business is good.

#### Cleveland

The drug business in this district fell short of expectations in the first half of 1935. Wholesale volume was 5.7 per cent less in the first four months than in the corresponding period last year, while chain store sales fell off 1.9 per cent.

The poorest showing was in March, when wholesale business showed a decline of 19 per cent and chain stores reported a drop of 8.7 per cent. There was moderate improvement in April.

#### Dallas

Sales at both wholesale and retail have been running consistently 10 to 15 per cent ahead of last year's. The increase is reflected mainly in the number of units sold, as the price level has changed but little. Wholesale collections show a corresponding improvement and are generally satisfactory.

#### Detroit

Detroit is one of the important centers of the drug industry and some of the leading manufacturing chemists are located here. During the current year these concerns have experienced an increase of approximately 10 per cent in both dollar and unit volume, as compared with the corresponding period of 1934.

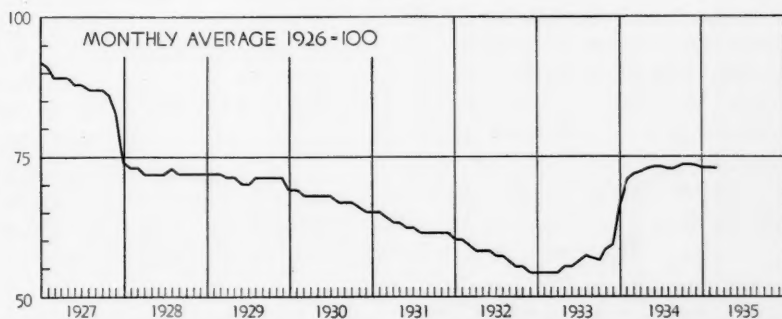
As usual in this industry, unit production has closely followed this trend and has not varied much from sales. Wholesale and retail concerns have had parallel increases in sales. Retail stores, for the most part, have built up their inventories and now offer a more complete selection.

#### Indianapolis

Wholesale distribution of drugs showed an increase of 4.4 per cent for the first five months of this year, as against the same period of 1934. Retail chain store volume showed a gain of 8 per cent for the same period.

There have been very few changes in prices and it is unlikely that there will be any in the near

INDEX OF WHOLESALE DRUG PRICES  
(21 Quotations)



After touching the all-time low at 54.6 in April, 1933, the index rose irregularly to stand at 73.5 for November, 1934, which was the highest point reached since February, 1928. Although the trend has been downward thus far this year, the March index registered 75.0, exceeding all comparable positions since 1928.

future. The outlook indicates continued betterment.

#### Los Angeles

The drug trade held the first quarter's rate of gain of 15 to 20 per cent over last year up to the close of May. During June, however, there was a falling-off in production and sales which was slightly more than seasonal.

Wholesalers report that country orders have declined more noticeably than in the Los Angeles metropolitan area.

#### Louisville

Wholesale drug sales locally and in the surrounding territory have shown an increase of about 10 per cent over the corresponding period of 1934. Retail business has also been better, with improved demand for pharmaceuticals and cosmetics. Wholesale drug houses also report sales of liquor about 25 per cent better than in the corresponding period of last year.

#### Milwaukee

Wholesale distribution of drugs and pharmaceutical supplies continues on an upward trend. Sales, both in unit and dollar volume, are reported to have increased from 8 to 10 per cent. Retail sales show improvement also, but in the large cities the independently-owned drug stores have made less progress than in the country communities, due to the cut-rate and chain-store competition prevailing.

#### Pittsburgh

Business in this line is showing comparatively little improvement. For the first five months of 1935 retail sales averaged about 3 per cent above the same period of 1934, while wholesale orders averaged between 5 and 6 per cent lower than a year ago. There has been comparatively little change in prices.

#### Richmond

Wholesale business in May was on a level with the same month last year, while April showed a gain of 2 per cent over April, 1934. Cumu-

lative sales for the first five months of this year were 6 per cent heavier than for the same period last year.

The outlook is encouraging as to volume, but in this market it has been necessary for all jobbers to reduce quotations, due to a price-war among chain stores. Drug sundries, lotions, and beach accessories are the best sellers.

#### Rochester

Retailers report an increase of about 5 to 10 per cent in sales. The wholesale trade reports about a 7 per cent increase in sales, in comparison with a year ago. It is expected that conditions will gradually improve in the trade, although no great progress is expected within the next few months.

#### St. Louis

Despite the slowness in activity in some products, returns from the trade, as a whole, were generally satisfactory. Wholesalers report their dollar volume for 1935 to have increased approximately 10 per cent, as compared with the same period of 1934, with a nominal step-up in unit sales. Retailers likewise reported favorably, with increased activity shown.

#### Seattle

Jobbers and wholesalers of drugs in this city reported gradual increases in sales during the months of February, March, and April, only to have the volume again reduced in May so that sales for the year to date are about even with the same period of 1934. Prices have remained fairly steady, and collections are classed as good. Retail drug stores showed little change during the year.

#### Syracuse

Sales for the first four months of this year equalled those of 1934 for the same period, and collections also were on the level of last year. Prices generally are up slightly, and the opinion is expressed that the outlook for this district is better than it was a year ago.

### Low Failure Level Holding

Bankruptcies in the drug trade continued to hold to bottom levels during the first six months of 1935, thus extending the moderate recession which started in 1933 and the abrupt drop that was recorded for 1934, when the number of failures was the fewest in the trade's history and the involved liabilities the smallest since 1929. While concerns have been going into bankruptcy at about the same rate as in 1934, the money loss has been lowered.

The peak for both the number of failures and the defaulted indebtedness was established in 1932 at 1,578 and \$27,646,341, respectively. The all-time low for the number of failures was in 1934, when the total dropped to 710. While the money loss which the latter entailed was only \$8,962,608, or a reduction of 61.3 per cent from that of 1933, it still was in excess of the record low for defaulted indebtedness, which was set down for 1929 at \$8,933,969.

The complete insolvency record of the drug and pharmaceutical supply trade since 1927, including the first half of 1935, as compiled by Dun & Bradstreet, Inc., shows:

#### Manufacturers

| Year       | Number | Liabilities |
|------------|--------|-------------|
| 1927.....  | 64     | \$3,711,555 |
| 1928.....  | 85     | 3,654,870   |
| 1929.....  | 102    | 1,290,332   |
| 1930.....  | 94     | 3,237,274   |
| 1931.....  | 102    | 4,424,601   |
| 1932.....  | 156    | 9,105,229   |
| 1933.....  | 120    | 8,143,134   |
| 1934.....  | 56     | 1,641,832   |
| 1935*..... | 40     | 889,136     |

#### Wholesalers and Retailers

| Year       | Number | Liabilities |
|------------|--------|-------------|
| 1927.....  | 714    | \$7,607,591 |
| 1928.....  | 729    | 7,088,431   |
| 1929.....  | 701    | 7,945,637   |
| 1930.....  | 982    | 10,751,039  |
| 1931.....  | 1,151  | 13,946,611  |
| 1932.....  | 1,422  | 18,541,112  |
| 1933.....  | 1,104  | 14,989,550  |
| 1934.....  | 664    | 7,320,776   |
| 1935*..... | 349    | 3,312,424   |

(\*) January to June, inclusive.

These statistics of commercial failures are exclusive of applications under Section 77B. From June 7, 1934, when Section 77B of the new Bankruptcy Act became effective, to June 20, 1935, applications were filed under this section by 5 manufacturers in this industry and by 6 wholesalers and retailers.



# GAINS OF FIRST QUARTER NOT HOLDING IN PAPER INDUSTRY

**W**HILE there has been an improvement in the general paper trade thus far this year, in many divisions the gains are being narrowed, as compared with those set down for the first quarter, and the trend appears to be toward a slow but continuous retrenchment as the Summer months approach. There are innumerable indications, however, that basically conditions in the industry are strengthening, with the price structure firm, new uses being devised constantly for its products, and better grades coming more into prominence, in keeping with the country's rising purchasing power.

Because of the adverse weather conditions during April and May, which restricted consumer buying in most parts of the country, both output and distribution for the five months of the current year failed to equal the percentage of gain estimated at the beginning of 1935. As the trend again has started upward, much of this slack may be taken in before the close of the third quarter, as wholesalers now are displaying more willingness to make commitments beyond immediate requirements. For some divisions of the trade the Fall outlook is viewed as the brightest in several years.

In spite of the poor showing made by the newsprint division, tonnage output is ahead of the comparative 1934 figures, and distribution has exceeded that level by an even wider percentage. Profits, however, have fallen, to some extent, because of increased operating costs and keener sales competition. Exports of paper have expanded, the gains ranging from 9 per cent for wrapping paper to 46 per cent for paper bags, and

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*Although progress was at a slower rate during April and May than in the opening months of the year, sales of paper have averaged 5 to 10 per cent higher than in 1934. Tonnage output up 5 to 10 per cent, except in newsprint, which declined. Price level practically unchanged. Failure trend upward.*

60 per cent for waterproof and greaseproof papers.

## Mill Output Increased

In spite of the recession reported for some districts, production of paper thus far this year has been 5 to 10 per cent in excess of that turned out during the corresponding months of 1934, the volume increase representing tonnage, as price fluctuations have been narrow. Industrial expansion undoubtedly has played an important rôle in the widening distribution of paper, as manufacturers are turning more and more to paper for packing purposes, a more insistent call having developed particularly in the furniture, hardware, brewery, confectionery, and apparel trades.

The poorest showing was reported for the South, as many of the manufacturers there failed to equal their output figures of a year ago. In the New England States, on the other hand, mills were so well occupied on current orders that no supplies were left for stock, and employment was larger than in 1934. Increases in operating schedules practically were general in the Wisconsin pulp and paper mills, and both employment and pay rolls have shown successive monthly increases thus far this year.

The course of newsprint production in 1935 has not paralleled the steady upward trend followed dur-

ing the first five months of 1934. After the total output of mills in the United States and Canada dropped to 251,110 tons in February, production was steadily higher in March, April, and May. The total for the latter month, however, of 327,016 tons was smaller by 5,249 tons, or 1.5 per cent, than the output of 332,265 tons in May, 1934. Total production for the first five months of 1935 was 1,437,096 tons, a drop of 0.68 per cent from the comparative 1934 output of 1,446,963 tons.

## Trend of Sales Upward

Even though some of the gains of the first quarter were lost during April and May, wholesale distribution of paper for the elapsed five months of the current year ranged from 5 to 12 per cent larger than for the comparative period of 1934. Bonds, ledgers, uncoated book papers, and the cheaper grades of print and wrapping paper headed the list of the best-selling items, with some of the wholesalers of fine paper reporting increases of 25 per cent.

The rising demand for all grades of building paper has lifted the volume 20 to 40 per cent above the average of the last five years. Increased expenditures for advertising have brought more orders from printers, and heavier consumer buying has enlarged sales of wrapping papers. General industrial improvement has benefited manufacturers of paper bags and containers. Demand for paper specialties has broadened, but active competition has curtailed profits.

In the early months of the year some stocking of paper occurred, chiefly because of fear of higher prices, which failed to develop, so

that inventories are estimated at 5 to 8 per cent larger than in 1934. Collections are more satisfactory, the improvement over a year ago averaging 8 to 12 per cent, although many of the smaller printing establishments still are being sold mostly on a cash basis.

#### Prices Generally Steady

On practically all grades of paper, prices have held comparatively firm, continuing at about the level reached during the adjustments made in the Summer of 1934, despite the advances recorded for a few items and the losses for others. Sulphite paper has become somewhat firmer, tissues are steady, and there is more strength noted in the quotations on coarse papers. On the other hand, kraft has turned easier, prices on solid ledger books have weakened, while paper stock, old paper, and mixed paper continue to drag at bottom levels.

The advance of \$2.50 a ton in the price of newsprint for the first half of 1935, with another \$2.50 to be added for the second half of the year, was rescinded in January, which left the quotation at \$40 a ton, at which position it had been pegged since April, 1933, when it was reduced from \$45 a ton. While there appears to be no likelihood of changes in the near future, should revisions be made these undoubtedly will be in an upward direction, in view of the decision of mills to maintain code hour and wage schedules.

#### Atlanta

Manufacturers of paper report output approximately 5 per cent below that for the same period of 1934, with prices slightly lower on some grades but, on the whole, steady. Wholesale dealers have had a decline in volume of 10 to 15 per cent, as compared with 1934. Prices continue fairly steady, but purchases are being curtailed to immediate needs only.

#### Baltimore

In this trade, production locally is confined to newsboard. The out-

put is off some 10 per cent, as compared with unit volume of June, 1934, when production reached the year's peak.

The dollar volume during the same period declined more sharply because of the steady slide in prices from June to the end of the year. However, a slight pick-up thus far this year is shown, and production is now more nearly on a normal basis.

Wholesale distribution in all lines of paper shows tonnage up about 10 per cent over last year, with dollar sales slightly larger. Medium and cheaper grades of bond paper, coarse wrapping paper and paper bags lead in the current demand.

#### Boston

The paper industry in Boston reports a moderate increase for the first five months of 1935 over the corresponding period of 1934. The outlook is considered uncertain for the next few months.

Dollar sales have increased 8 to 10 per cent and unit sales are 6 to 8 per cent greater. Employment and pay rolls have increased slightly. Prices remain firm, and there are no indications of changes in the near future. The best-selling items are wrapping paper, envelopes, bond paper, and book paper.

#### Cleveland

Further improvement in the paper trade has been made so far this year. Although sales have shown a moderate decline since April, operations have been at

higher levels than a year ago, and gains of 10 to 15 per cent are reported.

In the early months of the year some stocking of paper occurred, largely because of fear of higher prices. The price level has remained fairly firm, however, although there have been advances on some items.

#### Dallas

The distribution of paper at wholesale is holding up well, as compared with last year, although profits have fallen, to some extent, due to increased operating costs. For the first five months of 1935, the volume was about 5 per cent greater than for the corresponding period of 1934. The increase was reflected in the unit volume, since there has been practically no change in the price level.

#### Indianapolis

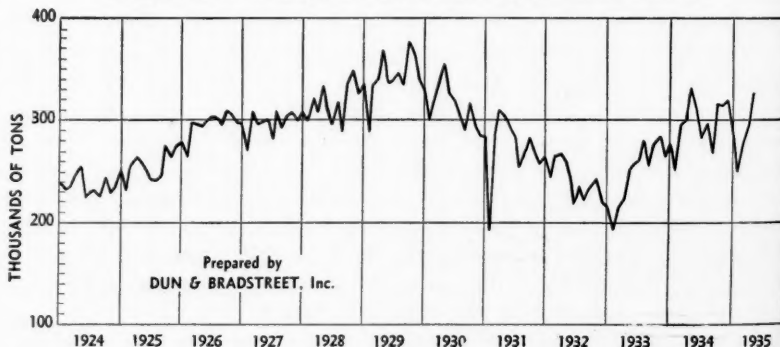
Wholesale volume of fine papers and printers' papers shows a 5 per cent increase for 1935 over the same period of 1934. Bonds, ledgers, and uncoated book papers are the best-selling items.

Prices are currently firm. Sales held up fairly well during the first four months, but took a decided trend downward since May 1, and not much improvement is expected during the Summer.

#### Kansas City

The leading distributors here report that sales for the first five months of this year showed an increase of approximately 10 per

NEWSPRINT PRODUCTION (United States and Canada)



The course of newsprint production in 1935 has not paralleled the steady upward trend followed during the first five months of 1934. Total production for the first five months of 1935 was 1,437,096 tons, a drop of 0.68 per cent from the comparative 1934 output of 1,446,963 tons, due largely to the loss in February.



cent over the same period of 1934. The dealers have obtained their best volume in the cheaper grades of prints, bond, and wrapping paper.

There have been no local price changes during the past year, but some of the dealers report that prices probably will be increased in the near future. Collections generally are reported as satisfactory.

#### Memphis

The paper trade has been affected by uncertainty as has almost everything else, but volume is somewhat better than it was last season. Margin of profit is not very satisfactory, attributed to keener competition for business.

The trade here did not have a code, so was not directly affected by the recent upset, though feeling it indirectly. Buying has been only for immediate needs. Staple items have moved best, and prices have remained steady.

#### Milwaukee

Distribution of paper in Milwaukee for the first five months of 1935 was slightly better than for the same period of 1934. In some instances, however, sales have been running less than a year ago.

Demand for newsprint has been more active, due to an increase in advertising. Paper and pulp mills in Wisconsin report production above a year ago. Employment and pay rolls also showed a steady increase for the first four months of 1935, compared with the same 1934 period. Prices have held fairly steady.

#### Omaha

As a whole, paper sales have been on about an even basis with this period a year ago, both as to dollars and unit volume. There are no items showing any special activity. Prices have been stationary for some time, with no evidence of an immediate change. The outlook is favorable for improved business in the Fall. In contrast with last Summer's severe drought, which cut down volume in all fields, rainfall this year has

been plentiful, assuring good crops, which will result in active sales in the paper industry.

#### Rochester

Wholesalers of paper in this city report a general increase of from 10 to 15 per cent for the first five months of this year, in comparison with a similar period of 1934. Wholesalers of fine paper report, in some instances, an increase of 25 per cent, while wholesalers of other grades of paper report smaller increases. In the fine paper line, the middle grades continue to be mostly in demand, with a trend toward the better grades continuing. Prices are expected to hold firm.

#### St. Louis

Recent reports from local wholesale paper concerns are generally favorable. Industrial stimulation undoubtedly has played an important rôle in creating a demand for paper.

Some wholesalers report a gain in their dollar volume for 1935 from 11 to 20 per cent, as compared with the corresponding time in 1934. Others indicated their sales to have held about even for the same period.

#### Syracuse

Most manufacturers of various types of paper report that a steady increase in sales was made from September, 1934, to May 1, 1935, representing about a 10 per cent gain. Since May 1, however, a sharp decline in new business was noted.

Inventories of finished products are at the lowest point in several years and from the character of orders received and prompt service demanded, it is the general opinion that paper jobbers and converters also are carrying only minimum requirements.

#### Toledo

Sales of paper in this district during the first five months of the current year were about 20 per cent ahead of the comparative 1934 figures. The best-selling items

were bond and book papers. Prices are considered stable, and with no fluctuations in prospect. Outlook has improved, and a good Fall business now is anticipated.

#### Failures Starting to Rise

After dropping in 1934 to the smallest total since 1931, the trend of failures in the paper industry has been strongly upward thus far in the current year. For the entire twelve months of 1934 only 8 bankruptcies were recorded for manufacturers of paper, with the involved liabilities reduced to \$892,529, whereas for the first five months of 1935 the number rose to 9 and the money loss to \$1,012,529.

For wholesalers and retailers of paper the increase in failures was even more rapid during the first five months of 1935, as the number rose to 25, which compared with only 16 for the twelve months of 1934. Most of these bankrupt concerns were small, however, as despite the 5.6 per cent increase in the total that failed, the gain in the defaulted indebtedness was held to 3.7 per cent, having risen to \$456,516 from \$332,278 in 1934.

The peak year for failures was in 1932, when the number for the entire trade reached 44 and the involved liabilities \$3,647,797. These totals were reduced by 40.9 per cent and 32.4 per cent, respectively, in 1933, and in 1934 the money loss was cut further by 50.3 per cent.

The complete insolvency record of the paper industry since 1927, including the first five months of 1935, as compiled by Dun & Bradstreet, Inc., shows:

#### Paper Manufacturers

| Year       | Number | Liabilities |
|------------|--------|-------------|
| 1927.....  | 5      | \$2,017,000 |
| 1928.....  | 5      | 816,900     |
| 1929.....  | 10     | 1,929,200   |
| 1930.....  | 3      | 821,226     |
| 1931.....  | 1      | 800,000     |
| 1932.....  | 9      | 2,613,450   |
| 1933.....  | 10     | 1,944,189   |
| 1934.....  | 8      | 892,529     |
| 1935*..... | 9      | 1,012,529   |

#### Paper Wholesalers and Retailers

| Year       | Number | Liabilities |
|------------|--------|-------------|
| 1927.....  | 19     | \$1,128,800 |
| 1928.....  | 20     | 495,707     |
| 1929.....  | 7      | 67,592      |
| 1930.....  | 14     | 210,300     |
| 1931.....  | 6      | 192,100     |
| 1932.....  | 35     | 1,034,347   |
| 1933.....  | 16     | 520,760     |
| 1934.....  | 16     | 332,278     |
| 1935*..... | 25     | 456,516     |

(\* ) January to May, inclusive.

# 77B CASES FOR JULY AT YEAR'S LOW

**W**HEN a new law becomes effective, uncertainty may arise as to its result. Contrary to the belief that an overwhelming number of applications would be filed by concerns seeking relief under Section 77B of the New Bankruptcy Act, an entirely opposite trend was shown.

For no month since the inception of this Act has the number of applications been higher than 146 (the total reached in April of this year); and for most months the totals have been substantially below that figure.

This table shows the monthly totals of concerns making application since Section 77B became effective, in comparison with the commercial failure total for the same months:

|                 | Number of<br>Applications | Commercial<br>Failures |
|-----------------|---------------------------|------------------------|
| 1934            |                           |                        |
| June .....      | 97                        | 1,033                  |
| July .....      | 73                        | 912                    |
| August .....    | 98                        | 929                    |
| September ..... | 69                        | 790                    |
| October .....   | 65                        | 1,091                  |
| November .....  | 96                        | 923                    |
| December .....  | 94                        | 963                    |
| 1935            |                           |                        |
| January .....   | 106                       | 1,184                  |
| February .....  | 76                        | 1,005                  |
| March .....     | 82                        | 976                    |
| April .....     | 146                       | 1,115                  |
| May .....       | 88                        | 1,027                  |
| June .....      | 81                        | 961                    |
| July .....      | 70                        | 931                    |
| Total .....     | 1,241                     | 13,840                 |

Applications for the month of July numbered 70 and this (with the exception of the months of September and October, 1934) was the lowest number reported for any month since the New Bankruptcy Act became effective. Another interesting feature of these cases is that in no month do the applications exceed 13 per cent of the total of failures reported for the period.

Concerns applying for relief under this Act are not commercial failures in the accepted sense, and the statistics of the applications

constitute a record which is distinct from that of commercial failures.

This table shows the number in each of the four principal trade groups:

| Trade Group:        | Number of Applications | Percentage of Total |
|---------------------|------------------------|---------------------|
| Manufacturing ..... | 504                    | 40.6                |
| Wholesale .....     | 106                    | 8.6                 |
| Retail .....        | 291                    | 23.4                |
| Service .....       | 340                    | 27.4                |
| Total .....         | 1,241                  | 100.0               |

Manufacturing concerns led the field in number of applications filed. The total in this class since June 7, 1934, was 504, or 40.6 per cent of the total number. In the service group, which was the next highest, the total was 340 and the ratio 27.4. Applications for relief among retailers numbered 291, and wholesalers 106.

In the retail classification, hotels and restaurants were well above any other type of business, numbering 62. Clothing stores had a total of 21. In seven of the twenty-four businesses listed no applications were filed.

Among wholesalers, groceries, meat and fish numbered 21. The nearest approach to this figure was 10 in the iron and steel industry. All other lines were considerably below this figure.

In the fourth classification, the number was higher this year among hauling and trucking concerns, and real estate and laundries. Fewer applications were filed by investment houses and cleaning and dyeing establishments.

This table shows the weekly record of 77B applications in comparison with the corresponding totals of 1934:

| Week          | 1935 | 1934 | Per Cent |
|---------------|------|------|----------|
| Aug. 8 .....  | 15   | 15   | .....    |
| Aug. 1 .....  | 26   | 21   | +23.8    |
| July 25 ..... | 16   | 16   | .....    |
| July 18 ..... | 18   | 17   | +5.9     |
| July 11 ..... | 18   | 16   | +12.5    |
| July 4 .....  | 16   | 24   | -33.3    |
| June 27 ..... | 16   | 27   | -40.7    |
| June 20 ..... | 23   | 24   | -4.2     |
| June 13 ..... | 21   | 46   | -54.3    |

## 77B Applications by Divisions of Industry

|   | Jan.-July 1935 | June-Dec. 1934 |
|---|----------------|----------------|
| <b>Manufacturers</b>                      | No.            | No.            |
| Foods .....                               | 40             | 56             |
| Milling and Bakers .....                  | 9              | 4              |
| Chemicals and Drugs .....                 | 9              | 6              |
| Clothing and Furnishings .....            | 11             | 10             |
| Textiles (Other) .....                    | 22             | 17             |
| Hats, Gloves and Furs .....               | 3              | 2              |
| Leather and Shoes .....                   | 13             | 7              |
| Paints .....                              | 1              | 2              |
| Rubber Goods .....                        | 1              | 2              |
| Tobacco and Beverages .....               | 2              | 1              |
| Furniture .....                           | 15             | 6              |
| Lumber and Building Lines .....           | 13             | 11             |
| Machinery .....                           | 20             | 17             |
| Transportation Equipment .....            | 8              | 9              |
| Iron and Steel .....                      | 22             | 26             |
| Non-Ferrous Metals .....                  | 7              | 4              |
| Petroleum and Coal .....                  | 13             | 18             |
| Printing and Publishing .....             | 9              | 12             |
| Paper and Paper Products .....            | 9              | 10             |
| Stone, Clay and Glass .....               | 21             | 17             |
| All Other .....                           | 11             | 12             |
| <b>Total Manufacturers .....</b>          | <b>258</b>     | <b>247</b>     |
| <b>Retail Dealers</b>                     |                |                |
| General Stores .....                      | 5              | 7              |
| Groceries, Meat and Fish .....            | 13             | 13             |
| Clothing and Furnishings .....            | 21             | 17             |
| Dry Goods & Department Stores .....       | 15             | 9              |
| Hats, Gloves and Furs .....               | 1              | 1              |
| Leather and Shoes .....                   | 5              | 3              |
| Furniture .....                           | 7              | 3              |
| Lumber and Building Materials .....       | 7              | 3              |
| Chemicals and Drugs .....                 | 7              | 3              |
| Paints .....                              | 1              | 1              |
| Tobacco, Billiards and Beverages .....    | 1              | 1              |
| Paper and Paper Products .....            | 1              | 1              |
| Books and Periodicals .....               | 1              | 1              |
| Rubber Goods .....                        | 1              | 1              |
| Jewelry .....                             | 2              | 1              |
| Machinery .....                           | 2              | 1              |
| Non-Ferrous Metals .....                  | 2              | 1              |
| Hardware and Tools .....                  | 3              | 3              |
| Iron and Steel .....                      | 2              | 2              |
| Hotels and Restaurants .....              | 62             | 50             |
| Petroleum and Coal .....                  | 4              | 6              |
| Stone, Clay and Glass .....               | 1              | 1              |
| Transportation Equipment .....            | 5              | 4              |
| All Other .....                           | 2              | 8              |
| <b>Total Retail Dealers .....</b>         | <b>164</b>     | <b>126</b>     |
| <b>Wholesale Dealers</b>                  | No.            | No.            |
| Books and Periodicals .....               | 1              | 1              |
| Chemicals and Drugs .....                 | 1              | 1              |
| Furniture .....                           | 3              | 2              |
| Lumber and Building Materials .....       | 3              | 1              |
| Groceries, Meat and Fish .....            | 21             | 18             |
| Iron and Steel .....                      | 10             | 5              |
| Leather and Shoes .....                   | 1              | 1              |
| Machinery .....                           | 2              | 2              |
| Non-Ferrous Metals .....                  | 1              | 2              |
| Paints .....                              | 1              | 1              |
| Paper and Paper Products .....            | 1              | 1              |
| Petroleum and Coal .....                  | 3              | 6              |
| Rubber Goods .....                        | 3              | 2              |
| Stone, Clay and Glass .....               | 3              | 2              |
| Clothing and Furnishings .....            | 4              | 1              |
| Dry Goods .....                           | 4              | 1              |
| Transportation Equipment .....            | 2              | 4              |
| All Other .....                           | 6              | 1              |
| <b>Total Wholesale Dealers .....</b>      | <b>59</b>      | <b>47</b>      |
| <b>Agents and Commercial Service</b>      |                |                |
| Advertising .....                         | 3              | 7              |
| Brokers (Investment) .....                | 3              | 6              |
| Cleaners .....                            | 3              | 4              |
| Garages .....                             | 7              | 2              |
| Hauling .....                             | 77             | 49             |
| Insurance and Real Estate .....           | 11             | 6              |
| Laundries .....                           | 2              | 1              |
| Taxicab Companies .....                   | 1              | 1              |
| Undertakers .....                         | 61             | 97             |
| All Other .....                           | 168            | 172            |
| <b>Total Agents and Com'l Serv. .....</b> | <b>649</b>     | <b>592</b>     |

# JULY FAILURES STRIKE LOW POINT FOR YEAR

**B**USINESS failures in July were fewer in number than for any other month this year, totaling 931, against 961 in June and 912 in July, 1934. The total indebtedness involved in the July, 1935, business defaults was \$20,446,761. This amount compared with \$20,463,097 for June and with \$19,325,517 for July, 1934.

There was a very slight reduction in July from June. The liabilities for June were increased very materially by a single large receivership, which did not develop until that month, although the actual default had occurred over a year ago. For more than a year liabilities for a single month had not been so high as they were in June.

## Insolvency Index Still Low

The July Insolvency Index continued below the record for that month back to 1920. It was down to 56.4, which compared with 56.9 for July, 1934. The July index was below that for any other month back to September, 1934. Since the Insolvency Index is based on the

| DUN'S INSOLVENCY INDEX  |         |      |       |       |       |       |                                 |         |       |       |       |
|---|---------|------|-------|-------|-------|-------|---------------------------------|---------|-------|-------|-------|
| Ratio of Commercial Failures to Each 10,000 Business Concerns |         |      |       |       |       |       |                                 |         |       |       |       |
|   | Monthly |      |       |       |       |       | 5-Year Average<br>1925-29 Ratio | Monthly |       |       |       |
|   | 1935    | 1934 | 1933  | 1932  | 1931  | 1930  |                                 | 1922    | 1921  | 1920  |       |
| January   | 71.3    | 82.5 | 179.4 | 201.8 | 188.4 | 150.2 | 139.5                           | 160.0   | 173.7 | 126.2 | 27.8  |
| February  | 71.5    | 71.0 | 159.0 | 165.9 | 169.0 | 146.7 | 128.2                           | 147.0   | 168.7 | 123.4 | 26.1  |
| March   | 58.7    | 64.2 | 111.4 | 159.7 | 146.0 | 128.4 | 110.4                           | 126.6   | 144.8 | 98.1  | 27.6  |
| April   | 67.2    | 65.4 | 115.3 | 158.0 | 134.1 | 125.0 | 107.4                           | 123.0   | 137.3 | 93.8  | 26.6  |
| May   | 62.1    | 59.2 | 113.9 | 162.0 | 131.7 | 119.9 | 104.5                           | 119.8   | 124.4 | 88.5  | 27.5  |
| June  | 60.3    | 63.1 | 99.9  | 155.2 | 112.4 | 114.4 | 100.8                           | 115.6   | 105.4 | 82.7  | 29.5  |
| July  | 56.4    | 56.9 | 90.4  | 156.3 | 112.1 | 112.4 | 95.7                            | 109.7   | 110.4 | 93.6  | 29.9  |
| August  | ...     | 54.3 | 86.7  | 155.5 | 111.3 | 105.7 | 90.9                            | 104.2   | 99.8  | 93.4  | 29.4  |
| September   | ...     | 53.6 | 71.0  | 132.1 | 114.0 | 112.9 | 87.2                            | 100.0   | 98.5  | 94.5  | 30.3  |
| October   | ...     | 66.2 | 76.6  | 137.8 | 134.7 | 117.0 | 90.2                            | 103.8   | 107.3 | 109.8 | 105.8 |
| November  | ...     | 65.3 | 82.1  | 130.9 | 141.2 | 127.0 | 107.1                           | 122.8   | 112.3 | 132.8 | 109.7 |
| December  | ...     | 60.5 | 74.0  | 145.3 | 158.8 | 140.7 | 112.0                           | 128.3   | 114.0 | 159.6 | 116.2 |
| Seven months.   | 63.9    | 66.2 | 124.2 | 165.5 | 142.0 | 128.1 | 112.4                           | ...     | 137.7 | 100.9 | 27.9  |
| Year  | ...     | 61.7 | 103.6 | 153.3 | 133.4 | 120.7 | 105.6                           | ...     | 119.4 | 102.0 | 48.8  |

ratio of commercial failures to each 10,000 business concerns, it measures quite accurately the business death rate.

A comparison by quarters for the past two years makes an interesting study. For the first three months of 1935 the Insolvency Index was considerably lower than that for the same period of 1934. The reduction this year was due almost wholly to the substantially lower figures for January and March. For February, 1935, the Insolvency Index was only fractionally lower.

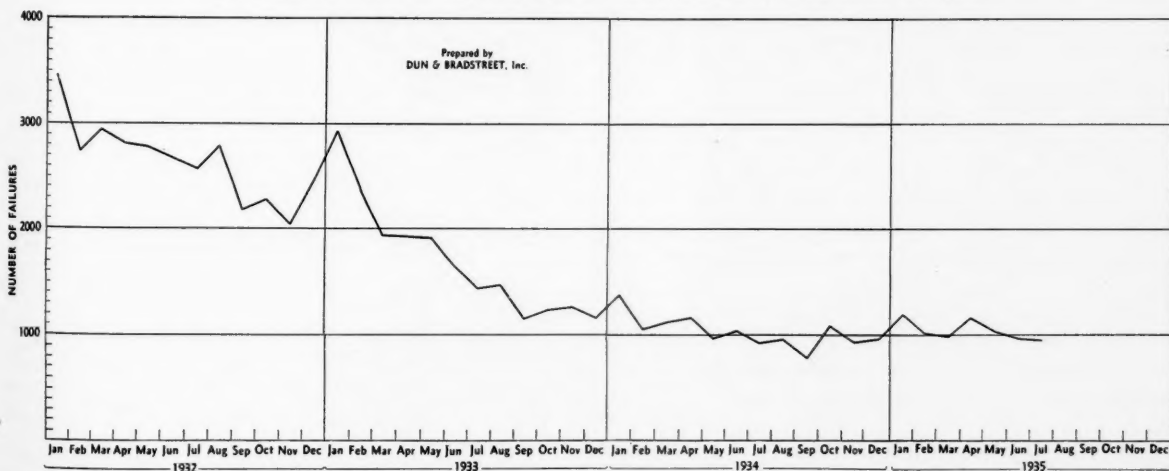
For the second quarter of this

year there was a fractional increase in the Insolvency Index over the 1934 figures. The April and May index this year was higher than for those two months last year, while the June figure this year showed a reduction.

For July there was a decline, as compared with June, which was about normal and the same may be said of the increase in the comparison between July and September last. The September Insolvency Index generally is at the low point of the year. That was the case in 1934.

Following September, the In-

MONTHLY TREND OF COMMERCIAL FAILURES IN THE UNITED STATES



Striking the year's low at 931, commercial failures for July were the fewest tabulated for that month since 1920, excepting July, 1934. For the latter period defaults numbered 912, which compared with a total of 1,421 for July, 1933. The peak for July failures was established in 1932, when the total rose to 2,596.



solvency Index was higher again, as is customary. Throughout 1934 the trend for each quarter of the year was quite normal. For the first three months, failures were at the high point of the year, followed by declines in the second and third quarters, and a subsequent advance in the fourth quarter.

Failures in 1934 were much less numerous than they were in the preceding years back to 1920 and so far this year they have been below those of 1934.

### The Geographical Divisions

The increase in the number of failures in the United States during July, as compared with that month last year, was scattered over different sections of the country. Failures were more numerous in the New England States. Liabilities reported for the defaults in that section, however, were considerably reduced this year. Compared with June, this year, failures in New England in July were fewer in number.

In the Cleveland Federal Reserve District, mainly the State of Ohio and western Pennsylvania, there were more failures in July this year than in that month a year ago. For the Chicago and Minneapolis districts an increase also was shown over last year.

In the St. Louis Federal Reserve District, which covers practically all of the Central South, failures in July this year were more numerous than in that month last year. The same was true as to the Atlanta district, which, in addition to Georgia, covers the Gulf States as far as Texas.

For the New York Federal Reserve District there was a small reduction in the number of failures last month, compared with July last year. The same was true as to the Philadelphia district. These two sections cover all of New York State, New Jersey, and two-thirds of Pennsylvania—the eastern section.

For the Richmond Federal Reserve District fewer failures were reported this year than last; also

### Failures by Federal Reserve Districts—July

| Districts                | Number |      |       | Liabilities  |              |
|--------------------------|--------|------|-------|--------------|--------------|
|                          | 1935   | 1934 | 1933  | 1935         | 1934         |
| Boston (1).....          | 91     | 66   | 138   | \$1,115,861  | \$1,367,851  |
| New York (2).....        | 333    | 336  | 333   | 7,971,889    | 7,747,778    |
| Philadelphia (3).....    | 44     | 48   | 63    | 978,823      | 1,336,137    |
| Cleveland (4).....       | 70     | 56   | 110   | 1,735,916    | 1,719,310    |
| Richmond (5).....        | 30     | 61   | 102   | 601,923      | 1,718,339    |
| Atlanta (6).....         | 41     | 31   | 58    | 761,138      | 342,015      |
| Chicago (7).....         | 88     | 75   | 180   | 2,816,810    | 1,638,609    |
| St. Louis (8).....       | 29     | 18   | 60    | 303,932      | 148,738      |
| Minneapolis (9).....     | 21     | 18   | 62    | 133,478      | 237,926      |
| Kansas City (10).....    | 35     | 37   | 75    | 527,538      | 480,641      |
| Dallas (11).....         | 19     | 22   | 42    | 196,834      | 361,196      |
| San Francisco (12).....  | 130    | 144  | 198   | 3,302,619    | 2,226,984    |
| Total United States..... | 931    | 912  | 1,421 | \$20,446,761 | \$19,325,517 |

### July, 1935

| Districts        | Manufacturing |             | Trading |             | Other Com'l |             |
|------------------|---------------|-------------|---------|-------------|-------------|-------------|
|                  | No.           | Liabilities | No.     | Liabilities | No.         | Liabilities |
| First .....      | 22            | \$186,709   | 62      | \$570,147   | 7           | \$359,005   |
| Second .....     | 114           | 2,587,759   | 189     | 3,150,508   | 30          | 2,233,622   |
| Third .....      | 8             | 454,233     | 34      | 513,590     | 2           | 11,000      |
| Fourth .....     | 11            | 748,028     | 56      | 891,500     | 3           | 96,388      |
| Fifth .....      | 6             | 242,403     | 20      | 269,355     | 4           | 90,165      |
| Sixth .....      | 4             | 169,001     | 34      | 529,570     | 3           | 62,567      |
| Seventh .....    | 30            | 1,067,410   | 52      | 1,391,877   | 6           | 337,523     |
| Eighth .....     | 3             | 104,412     | 26      | 199,520     | ..          | .....       |
| Ninth .....      | 2             | 11,938      | 17      | 97,562      | 2           | 23,978      |
| Tenth .....      | 1             | 226,256     | 33      | 285,282     | 1           | 16,000      |
| Eleventh .....   | 2             | 65,472      | 17      | 131,362     | ..          | .....       |
| Twelfth .....    | 35            | 974,395     | 79      | 584,131     | 16          | 1,744,093   |
| Total U. S. .... | 238           | \$6,838,016 | 619     | \$8,614,404 | 74          | \$4,994,341 |
| July, 1934.....  | 235           | \$6,785,970 | 579     | \$8,123,489 | 98          | \$4,416,058 |

for the Dallas district, which completes the Southwest. For the Kansas City and San Francisco districts the number of business defaults was lower this year than last. This was especially true of the Pacific Coast States.

Liabilities were less this year than they were last in the Boston, Philadelphia, Richmond, Minne-

apolis and Dallas districts. In the other seven geographical divisions, an increase was shown; in some sections, the amount was large.

Total liabilities reported for July this year were slightly higher than the amount reported for that month in 1934, but lower than for June, 1935. A rather marked vari-

### Failures in Specified Cities in the United States—July

| City                   | Fed. Res. Dist. | Pop.      | Failures   |              |            |              |
|------------------------|-----------------|-----------|------------|--------------|------------|--------------|
|                        |                 |           | July, 1935 |              | July, 1934 |              |
|                        |                 |           | No.        | Liabilities  | No.        | Liabilities  |
| Baltimore .....        | 5               | 804,874   | 11         | \$385,615    | 15         | \$214,654    |
| Boston .....           | 1               | 781,188   | 23         | 623,730      | 13         | 749,738      |
| Buffalo .....          | 2               | 573,076   | 5          | 18,397       | 4          | 202,335      |
| Chicago .....          | 7               | 3,376,438 | 30         | 671,500      | 20         | 292,000      |
| Cincinnati .....       | 4               | 451,160   | 1          | 22,504       | 7          | 168,194      |
| Cleveland .....        | 4               | 900,429   | 6          | 358,725      | 9          | 57,047       |
| Detroit .....          | 7               | 1,568,662 | 9          | 322,501      | 5          | 139,801      |
| Indianapolis .....     | 7               | 364,161   | 3          | 75,514       | 1          | 20,350       |
| Jersey City .....      | 2               | 316,716   | 3          | 260,730      | 3          | 233,156      |
| Kansas City, Mo. ....  | 10              | 399,746   | ..         | .....        | 3          | 18,982       |
| Los Angeles .....      | 12              | 1,238,048 | 28         | 632,302      | 36         | 643,575      |
| Louisville .....       | 8               | 307,745   | 3          | 11,000       | ..         | .....        |
| Milwaukee .....        | 7               | 578,248   | 7          | 63,060       | 10         | 194,237      |
| Minneapolis .....      | 9               | 464,356   | 4          | 20,400       | 6          | 114,018      |
| Newark .....           | 2               | 442,337   | 18         | 234,050      | 18         | 189,774      |
| New Orleans .....      | 6               | 458,762   | 1          | 154,877      | ..         | .....        |
| New York .....         | 2               | 6,930,446 | 206        | 5,769,125    | 221        | 4,292,859    |
| Philadelphia .....     | 3               | 1,950,961 | 17         | 330,756      | 24         | 670,323      |
| Pittsburgh .....       | 4               | 669,817   | 3          | 206,188      | 2          | 10,400       |
| Portland, Ore. ....    | 12              | 301,815   | 9          | 71,261       | 9          | 63,744       |
| Rochester .....        | 2               | 328,132   | 4          | 20,008       | 3          | 8,301        |
| St. Louis .....        | 8               | 821,960   | 6          | 145,403      | 3          | 18,000       |
| San Francisco .....    | 12              | 634,394   | 11         | 255,031      | 11         | 74,313       |
| Seattle .....          | 12              | 365,583   | 9          | 962,958      | 13         | 440,722      |
| Washington, D. C. .... | 5               | 486,869   | 3          | 34,476       | 6          | 290,064      |
| Total .....            | ..              | .....     | 420        | \$11,650,111 | 442        | \$9,106,587  |
| All Other .....        | ..              | .....     | 511        | 8,796,650    | 470        | 10,218,930   |
| Total U. S. ....       | ..              | .....     | 931        | \$20,446,761 | 912        | \$19,325,517 |

ation, however, appeared in the report for these different months.

### By Classes of Liabilities

Failures where the amounts involved were \$100,000 or more in each instance constituted 5.2 per cent of all failures in July this year. The ratio of these larger defaults in July, 1934, was about the same, or 5.3 per cent. On the other hand, the ratio for this division in June this year was only 1.9 per cent. In that month one receivership, which was instituted then, although the default had occurred many months previously, was for \$7,000,000. This single failure swelled the liabilities for June very materially.

Failures for the month just closed with liabilities of under \$5,000 in each instance constituted 41.8 per cent of all failures; a year ago the ratio was only 32.8 per cent, while for June this year it was 46.2 per cent. The largest percentage for July this year covered

### Failures by Branches of Business—July, 1935

|                                 | Number     |            |              | Liabilities         |                     |
|---------------------------------|------------|------------|--------------|---------------------|---------------------|
|                                 | July, 1935 | July, 1934 | July, 1933   | July, 1935          | July, 1934          |
| <b>MANUFACTURERS</b>            |            |            |              |                     |                     |
| Iron, Steel and Foundries.....  | 10         | 8          | 15           | \$590,464           | \$190,776           |
| Machinery and Tools.....        | 17         | 17         | 30           | 365,835             | 575,157             |
| Woolens, Carpets, etc.....      | 1          | ..         | 3            | 4,000               | .....               |
| Cottons and Lace.....           | ..         | ..         | ..           | .....               | .....               |
| Lumber and Building Lines.....  | 33         | 37         | 30           | 783,383             | 975,368             |
| Clothing and Furnishings.....   | 28         | 23         | 28           | 431,417             | 361,362             |
| Hats, Gloves and Furs.....      | 22         | 17         | 11           | 329,513             | 355,173             |
| Chemicals and Drugs.....        | 1          | 3          | 6            | 1,500               | 93,700              |
| Paints.....                     | 3          | 1          | 1            | 68,132              | 215,156             |
| Printing and Engraving.....     | 7          | 9          | 20           | 145,394             | 778,186             |
| Milling and Bakers.....         | 19         | 22         | 27           | 845,157             | 136,732             |
| Leather and Shoes.....          | 9          | 11         | 11           | 339,066             | 137,668             |
| Tobacco.....                    | 1          | 1          | 6            | 17,017              | 9,700               |
| Stone, Clay and Glass.....      | 11         | 5          | 11           | 579,369             | 192,495             |
| All Other.....                  | 75         | 81         | 126          | 2,837,769           | 2,764,497           |
| <b>Total Manufacturing.....</b> | <b>237</b> | <b>235</b> | <b>325</b>   | <b>\$6,838,016</b>  | <b>\$6,785,970</b>  |
| <b>TRADERS</b>                  |            |            |              |                     |                     |
| General Stores.....             | 26         | 20         | 36           | \$200,020           | \$123,540           |
| Groceries, Meat and Fish.....   | 214        | 178        | 277          | 2,172,915           | 1,729,372           |
| Hotels and Restaurants.....     | 62         | 68         | 73           | 1,521,304           | 1,448,842           |
| Tobacco, etc.....               | 9          | 5          | 14           | 39,480              | 42,580              |
| Clothing and Furnishings.....   | 69         | 53         | 85           | 908,591             | 539,587             |
| Dry Goods and Carpets.....      | 28         | 19         | 58           | 242,223             | 137,534             |
| Shoes and Luggage.....          | 13         | 12         | 36           | 139,676             | 154,988             |
| Furniture and Crockery.....     | 19         | 17         | 29           | 387,246             | 448,230             |
| Hardware, Stoves and Tools..... | 19         | 24         | 46           | 423,367             | 177,579             |
| Chemicals and Drugs.....        | 46         | 56         | 94           | 357,385             | 802,937             |
| Paints.....                     | 13         | 12         | 6            | 138,807             | 67,050              |
| Jewelry and Clocks.....         | 9          | 8          | 17           | 55,675              | 75,339              |
| Books and Papers.....           | 9          | 8          | 19           | 42,896              | 134,674             |
| Hats, Gloves and Furs.....      | 3          | 6          | 17           | 15,559              | 95,618              |
| All Other.....                  | 81         | 93         | 169          | 1,969,260           | 2,145,619           |
| <b>Total Trading.....</b>       | <b>620</b> | <b>579</b> | <b>976</b>   | <b>\$8,614,404</b>  | <b>\$8,123,489</b>  |
| Agents and Brokers.....         | 74         | 98         | 120          | 4,994,341           | 4,416,058           |
| <b>Total United States.....</b> | <b>931</b> | <b>912</b> | <b>1,421</b> | <b>\$20,446,761</b> | <b>\$19,325,517</b> |

### Analysis of Failures by Liability Groups for July

|                            | Number     |              |            |              | Liabilities         |                 |                     |                 |
|----------------------------|------------|--------------|------------|--------------|---------------------|-----------------|---------------------|-----------------|
|                            | 1935       | Ratio        | 1934       | Ratio        | 1935                | Average         | 1934                | Average         |
| Under \$5,000.....         | 389        | 41.8         | 299        | 32.8         | \$1,015,358         | \$2,610         | \$769,665           | \$2,574         |
| \$5,000 to \$25,000.....   | 395        | 42.4         | 453        | 49.6         | 4,317,432           | 10,930          | 4,879,256           | 10,771          |
| \$25,000 to \$100,000..... | 99         | 10.6         | 112        | 12.3         | 4,639,068           | 46,859          | 4,847,629           | 43,282          |
| Over \$100,000.....        | 48         | 5.2          | 48         | 5.3          | 10,474,903          | 218,227         | 8,828,967           | 183,938         |
| <b>Total.....</b>          | <b>931</b> | <b>100.0</b> | <b>912</b> | <b>100.0</b> | <b>\$20,446,761</b> | <b>\$21,962</b> | <b>\$19,325,517</b> | <b>\$21,190</b> |

the number of failures was higher than that for the same three months of the preceding year, but the liabilities were very much reduced. The increase in the number of failures in the second quarter of this year, over those of 1934

the class where the liabilities were between \$5,000 and \$25,000. The ratio for this division was 42.4 per cent, a year ago it was 49.6 per cent and for June, 1935, it was 41.9 per cent.

### The Half-Year's Record

Attention already has been called to the low level of business failures in the United States in the first and second quarters of the current year, as compared with most previous records. There was a decline in both periods. Furthermore, the number of defaults and the amount of liabilities involved in the second three months of this year were below those for the first three months. The decline in the second quarter of this year, however, was not so large as is usually shown.

For the second quarter of 1935,

### Large and Small Failures—July

| <b>MANUFACTURING</b>  |       |              |                  |              |                 |             |          |
|-----------------------|-------|--------------|------------------|--------------|-----------------|-------------|----------|
|                       | Total |              | \$100,000 & More |              | Under \$100,000 |             | Average  |
|                       | No.   | Liabilities  | No.              | Liabilities  | No.             | Liabilities |          |
| 1935....              | 237   | \$6,838,016  | 21               | \$3,517,135  | 216             | \$3,320,881 | \$15,374 |
| 1934....              | 235   | \$6,785,970  | 18               | 3,442,819    | 217             | 3,343,151   | 15,406   |
| 1933....              | 325   | 8,281,762    | 23               | 4,133,222    | 302             | 4,148,540   | 13,737   |
| 1932....              | 622   | 37,228,284   | 62               | 26,743,401   | 560             | 10,484,883  | 18,723   |
| 1931....              | 520   | 20,586,117   | 43               | 13,107,446   | 482             | 7,478,671   | 15,516   |
| 1930....              | 425   | 13,368,613   | 27               | 8,040,323    | 398             | 5,328,290   | 15,900   |
| 1929....              | 461   | 12,767,455   | 25               | 6,391,530    | 436             | 6,375,925   | 14,624   |
| 1928....              | 450   | 12,932,132   | 30               | 7,652,859    | 420             | 5,279,273   | 12,570   |
| <b>TRADING</b>        |       |              |                  |              |                 |             |          |
| 1935....              | 620   | \$8,614,404  | 12               | \$2,989,247  | 608             | \$5,625,157 | \$9,252  |
| 1934....              | 579   | 8,123,489    | 12               | 2,242,307    | 567             | 5,881,182   | 10,382   |
| 1933....              | 976   | 13,544,487   | 16               | 2,641,783    | 960             | 10,902,704  | 11,357   |
| 1932....              | 1,790 | 34,918,899   | 64               | 13,791,700   | 1,726           | 21,127,199  | 12,241   |
| 1931....              | 1,322 | 28,091,055   | 37               | 15,232,407   | 1,284           | 12,858,648  | 10,015   |
| 1930....              | 1,481 | 21,571,609   | 23               | 6,258,805    | 1,458           | 15,312,804  | 10,503   |
| 1929....              | 1,190 | 14,605,398   | 16               | 3,113,443    | 1,174           | 11,491,955  | 9,789    |
| 1928....              | 1,161 | 12,899,466   | 11               | 2,128,800    | 1,150           | 10,770,666  | 9,366    |
| <b>ALL COMMERCIAL</b> |       |              |                  |              |                 |             |          |
| 1935....              | 931   | \$20,446,761 | 48               | \$10,474,903 | 883             | \$9,971,858 | \$11,293 |
| 1934....              | 912   | \$19,325,517 | 48               | 8,828,967    | 864             | 10,496,550  | 12,149   |
| 1933....              | 1,421 | 27,481,103   | 60               | 10,606,039   | 1,361           | 16,875,064  | 12,399   |
| 1932....              | 2,596 | 87,189,639   | 160              | 54,235,101   | 2,436           | 32,954,538  | 13,528   |
| 1931....              | 1,983 | 60,997,853   | 100              | 37,125,250   | 1,883           | 23,872,603  | 12,678   |
| 1930....              | 2,028 | 39,826,417   | 58               | 16,465,398   | 1,970           | 23,361,019  | 11,860   |
| 1929....              | 1,752 | 32,425,519   | 51               | 13,126,616   | 1,701           | 19,298,903  | 11,346   |
| 1928....              | 1,723 | 29,586,633   | 49               | 11,989,470   | 1,674           | 17,597,163  | 10,512   |

was small. Considering the steady decline in business defaults for the past year or two, the slight upturn of the past three months was out of the usual order.

The increase in the number of failures in the second quarter of this year over 1934 was wholly in the trading division. This is indicated by the figures shown in this table:

#### Number of Failures—Second Quarter

|                        | 1935  | Ratio | 1934  | Ratio |
|------------------------|-------|-------|-------|-------|
| Manufacturing .....    | 731   | 23.5  | 806   | 26.4  |
| Trading .....          | 2,127 | 68.6  | 1,959 | 63.9  |
| Other Commercial ..... | 245   | 7.9   | 297   | 9.7   |
| Total .....            | 3,103 | 100.0 | 3,062 | 100.0 |

|                        | 1935         | Ratio | 1934         | Ratio |
|------------------------|--------------|-------|--------------|-------|
| Manufacturing .....    | \$16,632,552 |       | \$29,554,754 |       |
| Trading .....          | 23,931,190   |       | 30,024,380   |       |
| Other Commercial ..... | 13,632,905   |       | 12,636,969   |       |
| Total .....            | \$54,196,647 |       | \$72,216,103 |       |

#### Number of Failures—First Quarter

|                        | 1935  | Ratio | 1934  | Ratio |
|------------------------|-------|-------|-------|-------|
| Manufacturing .....    | 721   | 22.8  | 844   | 24.0  |
| Trading .....          | 2,140 | 67.6  | 2,302 | 67.2  |
| Other Commercial ..... | 304   | 9.6   | 309   | 8.8   |
| Total .....            | 3,165 | 100.0 | 3,515 | 100.0 |

|                        | 1935         | Ratio | 1934         | Ratio |
|------------------------|--------------|-------|--------------|-------|
| Manufacturing .....    | \$18,544,101 |       | \$27,447,209 |       |
| Trading .....          | 22,436,955   |       | 37,389,458   |       |
| Other Commercial ..... | 15,103,138   |       | 14,740,990   |       |
| Total .....            | \$56,084,194 |       | \$79,577,657 |       |

There were 2,127 trading defaults in the second quarter of this year, against 2,140 in the first quarter and 1,959 for the three months April to June, inclusive, in 1934. The increase this year over a year ago was 8.6 per cent. At the same time, liabilities for trading failures in the second quarter of 1935 were very much less than they were for that period a year ago.

|                          | Number | Ratio | Liabilities  |
|--------------------------|--------|-------|--------------|
| Manufacturers .....      | 237    | 25.5  | \$6,838,016  |
| Traders:                 |        |       |              |
| Retail .....             | 547    | 58.8  | 7,096,554    |
| Wholesale .....          | 73     | 7.8   | 1,517,850    |
| Agents & Com'l Ser. .... | 74     | 7.9   | 4,994,341    |
| Total U. S. ....         | 931    | 100.0 | \$20,446,761 |

|                          | Number | Ratio | Liabilities  |
|--------------------------|--------|-------|--------------|
| Manufacturers .....      | 235    | 25.8  | \$6,785,970  |
| Traders:                 |        |       |              |
| Retail .....             | 506    | 55.5  | 6,627,387    |
| Wholesale .....          | 73     | 8.0   | 1,496,102    |
| Agents & Com'l Ser. .... | 98     | 10.7  | 4,416,058    |
| Total U. S. ....         | 912    | 100.0 | \$19,325,517 |

Trading failures in the second quarter of this year were relatively as heavy as in the first three months, although as to the latter there was a reduction in the number from that for the same period in 1934. For the six months this year the number of trading de-

#### Failures by Divisions of Industry—July, 1935

|  | Number     |            | Liabilities  |              |
|--|------------|------------|--------------|--------------|
|  | July, 1935 | July, 1934 | July, 1935   | July, 1934   |
| <b>MANUFACTURERS</b>                   |            |            |              |              |
| Foods .....                            | 17         | 14         | \$985,860    | \$433,546    |
| Milling and Bakers .....               | 19         | 22         | 345,157      | 136,732      |
| Chemicals and Drugs .....              | 1          | 3          | 1,500        | 93,700       |
| Clothing and Furnishings .....         | 29         | 23         | 435,417      | 361,362      |
| Textiles (Other) .....                 | 9          | 13         | 288,864      | 823,101      |
| Hats, Gloves and Furs .....            | 22         | 17         | 329,513      | 355,173      |
| Leather and Shoes .....                | 9          | 11         | 339,066      | 137,668      |
| Paints .....                           | 3          | 1          | 68,132       | 215,156      |
| Rubber Goods .....                     | 1          | ..         | 8,000        | ..           |
| Tobacco and Beverages .....            | 1          | 1          | 17,017       | 9,700        |
| Furniture .....                        | 6          | 5          | 105,951      | 114,410      |
| Lumber and Building Lines .....        | 27         | 32         | 677,432      | 860,958      |
| Machinery .....                        | 9          | 5          | 129,151      | 118,288      |
| Transportation Equipment .....         | 7          | 10         | 196,684      | 253,116      |
| Iron and Steel .....                   | 20         | 19         | 718,331      | 465,722      |
| Non-Ferrous Metals .....               | 7          | 6          | 48,398       | 128,901      |
| Petroleum and Coal .....               | 3          | 2          | 525,000      | 207,882      |
| Printing and Publishing .....          | 7          | 9          | 145,394      | 778,186      |
| Paper and Paper Products .....         | 1          | 2          | 226,256      | 79,049       |
| Stone, Clay and Glass .....            | 11         | 5          | 579,369      | 192,495      |
| All Other .....                        | 28         | 35         | 667,524      | 1,020,825    |
| Total Manufacturers .....              | 237        | 235        | \$6,838,016  | \$6,785,970  |
| <b>RETAIL DEALERS</b>                  |            |            |              |              |
| General Stores .....                   | 26         | 20         | \$200,020    | \$123,540    |
| Groceries, Meat and Fish .....         | 185        | 139        | 1,446,436    | 1,105,350    |
| Clothing and Furnishings .....         | 66         | 53         | 846,556      | 539,587      |
| Dry Goods and Department Stores .....  | 19         | 17         | 164,383      | 118,539      |
| Hats, Gloves and Furs .....            | 3          | 6          | 15,559       | 95,618       |
| Leather and Shoes .....                | 12         | 11         | 124,676      | 89,988       |
| Furniture .....                        | 15         | 13         | 306,374      | 410,762      |
| Lumber and Building Materials .....    | 6          | 4          | 54,151       | 42,472       |
| Chemicals and Drugs .....              | 44         | 54         | 342,285      | 762,629      |
| Paints .....                           | 9          | 10         | 85,289       | 51,050       |
| Tobacco, Billiards and Beverages ..... | 9          | 5          | 39,480       | 42,580       |
| Paper and Paper Products .....         | 5          | 4          | 14,010       | 30,110       |
| Books and Periodicals .....            | 3          | 1          | 27,386       | 13,000       |
| Rubber Goods .....                     | 2          | 4          | 112,850      | 43,279       |
| Jewelry .....                          | 9          | 7          | 55,675       | 73,739       |
| Machinery .....                        | 6          | 7          | 55,378       | 94,860       |
| Non-Ferrous Metals .....               | 1          | 2          | 1,952        | 22,270       |
| Hardware and Tools .....               | 19         | 23         | 423,367      | 163,970      |
| Iron and Steel .....                   | ..         | 2          | ..           | 14,849       |
| Hotels and Restaurants .....           | 62         | 68         | 1,521,304    | 1,448,842    |
| Petroleum and Coal .....               | 8          | 11         | 711,797      | 145,700      |
| Stone, Clay and Glass .....            | 3          | 1          | 57,451       | 6,186        |
| Transportation Equipment .....         | 16         | 15         | 192,277      | 757,173      |
| All Other .....                        | 19         | 29         | 297,898      | 431,294      |
| Total Retail Dealers .....             | 547        | 506        | \$7,096,554  | \$6,627,387  |
| <b>WHOLESALE DEALERS</b>               |            |            |              |              |
| Books and Periodicals .....            | ..         | 1          | ..           | \$80,000     |
| Chemicals and Drugs .....              | 2          | 2          | \$15,100     | 40,308       |
| Furniture .....                        | 1          | ..         | 26,049       | ..           |
| Lumber and Building Materials .....    | 2          | 1          | 241,200      | 22,000       |
| Groceries, Meat and Fish .....         | 30         | 39         | 726,479      | 624,022      |
| Iron and Steel .....                   | 3          | 5          | 62,374       | 47,149       |
| Leather and Shoes .....                | 1          | 1          | 15,000       | 65,000       |
| Machinery .....                        | 1          | 4          | 30,000       | 186,126      |
| Non-Ferrous Metals .....               | 1          | 3          | 40,000       | 82,600       |
| Paints .....                           | 4          | 2          | 53,518       | 16,000       |
| Paper and Paper Products .....         | 1          | 2          | 1,500        | 11,564       |
| Petroleum and Coal .....               | 2          | 4          | 50,996       | 160,555      |
| Rubber Goods .....                     | ..         | ..         | ..           | ..           |
| Stone, Clay and Glass .....            | 1          | ..         | 5,500        | ..           |
| Clothing and Furnishings .....         | 3          | ..         | 62,035       | ..           |
| Dry Goods .....                        | 9          | 2          | 77,840       | 18,995       |
| Transportation Equipment .....         | 4          | 1          | 60,576       | 9,000        |
| All Other .....                        | 8          | 6          | 49,683       | 132,783      |
| Total Wholesale Dealers .....          | 73         | 73         | \$1,517,850  | \$1,496,102  |
| <b>AGENTS AND COMMERCIAL SERVICE</b>   |            |            |              |              |
| Advertising .....                      | 2          | 7          | \$55,169     | \$123,708    |
| Brokers (Investment) .....             | 1          | 5          | 185,982      | 867,413      |
| Cleaners .....                         | 10         | 1          | 67,571       | 25,000       |
| Garages .....                          | 5          | 9          | 40,985       | 258,498      |
| Hauling .....                          | 7          | 12         | 115,244      | 157,892      |
| Insurance and Real Estate .....        | 24         | 25         | 2,721,034    | 1,549,824    |
| Laundries .....                        | 4          | 1          | 84,000       | 12,000       |
| Taxicab Companies .....                | 1          | ..         | 39,145       | ..           |
| Undertakers .....                      | 2          | 5          | 8,495        | 45,488       |
| All Other .....                        | 18         | 33         | 1,676,716    | 1,376,240    |
| Total Agents & Commercial Ser. ....    | 74         | 98         | \$4,994,341  | \$4,416,058  |
| Total United States .....              | 931        | 912        | \$20,446,761 | \$19,325,517 |



faults was less than in the same time in 1934.

There was a very marked decline in the liabilities involved in trading failures for the six months of this year, as compared with the same period of last year. The reduction in liabilities for defaults in the manufacturing class this year also was heavy.

In the manufacturing division quite a reduction appeared for the second three months this year, compared with the same time last year, as to the number of defaults. For the third division, however, classified as "other commercial," mainly agents and brokers, failures were fewer, this year, but liabilities showed a small increase. The

amount was relatively high, considering the number of defaults.

The increase in the number of trading failures in the second quarter of this year, over that same period of last year, was almost entirely in the Eastern section of the United States, including both the New England division and the Middle Atlantic States.

## Commercial Failures in the United States—Second Quarter, 1935

|                        | ALL COMMERCIAL, 1935 |              |              | Total, 1934 |              | CLASSIFIED FAILURES, 1935 |              |             |              |             |              |
|------------------------|----------------------|--------------|--------------|-------------|--------------|---------------------------|--------------|-------------|--------------|-------------|--------------|
|                        | No.                  | Assets       | Liabilities  | No.         | Liabilities  | Manufacturing             | Trading      | Other Com'l | No.          | Liabilities | No.          |
| <b>NEW ENGLAND</b>     |                      |              |              |             |              |                           |              |             |              |             |              |
| Maine                  | 36                   | \$66,156     | \$423,588    | 16          | \$154,399    | 8                         | \$45,735     | 21          | \$222,623    | 7           | \$155,230    |
| New Hampshire          | 17                   | 86,339       | 243,559      | 6           | 81,485       | 3                         | 112,341      | 12          | 118,611      | 2           | 12,607       |
| Vermont                | 10                   | 39,675       | 109,909      | 6           | 107,891      | 2                         | 3,088        | 6           | 46,357       | 2           | 60,464       |
| Massachusetts          | 178                  | 724,128      | 2,710,385    | 187         | 3,115,331    | 56                        | 1,333,506    | 104         | 1,185,198    | 18          | 191,681      |
| Connecticut            | 75                   | 390,199      | 620,698      | 51          | 822,841      | 17                        | 145,271      | 53          | 373,602      | 5           | 101,825      |
| Rhode Island           | 35                   | 98,218       | 264,597      | 40          | 188,957      | 10                        | 77,217       | 23          | 177,380      | 2           | 10,000       |
| Total, 1935            | 351                  | \$1,395,715  | \$4,372,736  | 306         | \$4,470,904  | 96                        | \$1,717,158  | 219         | \$2,123,771  | 36          | \$531,807    |
| Total, 1934            | 306                  | \$1,363,259  | \$4,470,904  | ..          | ..           | 114                       | \$1,719,733  | 158         | \$1,558,131  | 34          | \$1,193,040  |
| <b>MIDDLE ATLANTIC</b> |                      |              |              |             |              |                           |              |             |              |             |              |
| New York               | 765                  | \$4,649,532  | \$13,338,793 | 736         | \$20,691,318 | 220                       | \$4,400,724  | 482         | \$6,058,363  | 63          | \$2,879,706  |
| New Jersey             | 223                  | 4,879,446    | 11,709,585   | 193         | 4,527,689    | 63                        | 2,203,252    | 135         | 1,658,770    | 25          | 7,847,563    |
| Pennsylvania           | 206                  | 2,470,125    | 3,396,352    | 176         | 8,089,282    | 57                        | 1,338,887    | 141         | 1,978,599    | 8           | 78,866       |
| Total, 1935            | 1,194                | \$11,999,103 | \$28,444,730 | 1,105       | \$33,308,289 | 340                       | \$7,942,863  | 758         | \$9,695,732  | 96          | \$10,806,135 |
| Total, 1934            | 1,105                | \$18,599,456 | \$33,308,289 | ..          | ..           | 316                       | \$15,398,303 | 690         | \$12,053,518 | 129         | \$5,856,468  |
| <b>SOUTH ATLANTIC</b>  |                      |              |              |             |              |                           |              |             |              |             |              |
| Maryland               | 30                   | \$159,469    | \$227,493    | 47          | \$894,350    | 9                         | \$58,776     | 19          | \$102,282    | 2           | \$66,435     |
| Delaware               | 1                    | 10,000       | 15,000       | 1           | 29,726       | ..                        | ..           | ..          | ..           | 1           | 15,000       |
| District of Columbia   | 9                    | 17,372       | 31,767       | 21          | 183,846      | 2                         | 6,361        | 6           | 18,262       | 1           | 7,144        |
| Virginia               | 20                   | 66,513       | 179,989      | 38          | 219,777      | 2                         | 10,473       | 18          | 169,516      | ..          | ..           |
| West Virginia          | 23                   | 193,561      | 276,809      | 37          | 643,839      | 7                         | 199,701      | 16          | 77,108       | ..          | ..           |
| North Carolina         | 36                   | 258,887      | 371,624      | 25          | 1,111,517    | 2                         | 65,743       | 32          | 295,391      | 2           | 10,500       |
| South Carolina         | 4                    | 30,665       | 37,103       | 8           | 146,719      | ..                        | ..           | 4           | 37,103       | ..          | ..           |
| Georgia                | 44                   | 285,963      | 346,714      | 14          | 299,945      | 9                         | 103,216      | 32          | 204,180      | 3           | 39,318       |
| Florida                | 19                   | 156,799      | 182,205      | 15          | 117,928      | 1                         | 22,378       | 16          | 114,067      | 2           | 45,760       |
| Total, 1935            | 186                  | \$1,179,229  | \$1,668,714  | 206         | \$3,647,647  | 32                        | \$466,648    | 143         | \$1,017,909  | 11          | \$184,157    |
| Total, 1934            | 206                  | \$4,752,391  | \$3,647,647  | ..          | ..           | 46                        | \$1,746,956  | 143         | \$1,497,474  | 17          | \$403,217    |
| <b>SOUTH CENTRAL</b>   |                      |              |              |             |              |                           |              |             |              |             |              |
| Kentucky               | 33                   | \$366,598    | \$524,747    | 19          | \$551,194    | 4                         | \$182,938    | 26          | \$333,981    | 3           | \$7,828      |
| Tennessee              | 35                   | 222,553      | 302,867      | 28          | 553,613      | 7                         | 66,443       | 27          | 230,924      | 1           | 5,500        |
| Alabama                | 21                   | 101,061      | 129,690      | 23          | 341,008      | 1                         | 4,000        | 20          | 125,690      | ..          | ..           |
| Mississippi            | 13                   | 66,696       | 86,447       | 8           | 76,547       | 1                         | 7,857        | 12          | 78,590       | ..          | ..           |
| Arkansas               | 28                   | 283,103      | 317,915      | 14          | 173,057      | 2                         | 11,946       | 26          | 305,969      | ..          | ..           |
| Oklahoma               | 37                   | 246,113      | 299,288      | 27          | 494,496      | 4                         | 57,093       | 32          | 239,695      | 1           | 2,500        |
| Louisiana              | 6                    | 28,733       | 45,245       | 8           | 101,483      | ..                        | ..           | 5           | 33,480       | 1           | 11,765       |
| Texas                  | 75                   | 490,869      | 1,014,507    | 57          | 622,935      | 3                         | 253,024      | 71          | 711,512      | 1           | 49,971       |
| Total, 1935            | 248                  | \$1,805,726  | \$2,720,706  | 184         | \$2,914,333  | 22                        | \$583,301    | 219         | \$2,059,841  | 7           | \$77,564     |
| Total, 1934            | 184                  | \$1,826,099  | \$2,914,333  | ..          | ..           | 27                        | \$1,167,905  | 147         | \$1,518,147  | 10          | \$228,281    |
| <b>CENTRAL EAST</b>    |                      |              |              |             |              |                           |              |             |              |             |              |
| Ohio                   | 153                  | \$1,581,552  | \$2,815,803  | 158         | \$5,873,166  | 35                        | \$1,266,259  | 109         | \$1,198,122  | 9           | \$351,422    |
| Indiana                | 38                   | 617,894      | 1,232,748    | 56          | 925,357      | 12                        | 865,756      | 21          | 295,827      | 5           | 61,165       |
| Illinois               | 167                  | 2,065,449    | 3,505,006    | 214         | 7,264,863    | 44                        | 1,343,424    | 107         | 1,762,282    | 16          | 399,300      |
| Michigan               | 74                   | 480,304      | 659,640      | 59          | 1,629,084    | 12                        | 318,653      | 38          | 288,173      | 4           | 52,814       |
| Wisconsin              | 53                   | 687,012      | 963,503      | 88          | 1,457,902    | 27                        | 395,500      | 40          | 426,675      | 6           | 141,328      |
| Total, 1935            | 485                  | \$5,432,211  | \$9,166,700  | 575         | \$17,150,972 | 130                       | \$4,189,592  | 315         | \$3,971,079  | 40          | \$1,006,029  |
| Total, 1934            | 575                  | \$11,377,516 | \$17,150,972 | ..          | ..           | 156                       | \$6,118,905  | 369         | \$8,056,533  | 50          | \$2,975,534  |
| <b>CENTRAL WEST</b>    |                      |              |              |             |              |                           |              |             |              |             |              |
| Minnesota              | 39                   | \$380,021    | \$475,719    | 52          | \$802,259    | 5                         | \$62,666     | 32          | \$391,739    | 2           | \$21,314     |
| Iowa                   | 38                   | 158,752      | 257,748      | 33          | 377,056      | 2                         | 15,318       | 33          | 220,330      | 3           | 19,100       |
| Missouri               | 38                   | 153,200      | 215,897      | 37          | 388,042      | 3                         | 49,398       | 31          | 149,274      | 4           | 17,225       |
| North Dakota           | 5                    | 31,847       | 68,510       | 2           | 17,207       | ..                        | ..           | 5           | 68,510       | ..          | ..           |
| South Dakota           | 6                    | 170,455      | 198,686      | 5           | 9,282        | 2                         | 98,000       | 4           | 100,686      | ..          | ..           |
| Nebraska               | 27                   | 152,822      | 227,129      | 37          | 558,309      | 3                         | 11,000       | 20          | 55,580       | 4           | 160,549      |
| Kansas                 | 14                   | 202,072      | 240,595      | 13          | 904,962      | ..                        | ..           | 14          | 240,595      | ..          | ..           |
| Total, 1935            | 167                  | \$1,249,178  | \$1,684,284  | 179         | \$3,058,017  | 15                        | \$239,382    | 139         | \$1,226,714  | 13          | \$218,188    |
| Total, 1934            | 179                  | \$2,480,992  | \$3,058,017  | ..          | ..           | 26                        | \$696,246    | 140         | \$1,342,838  | 13          | \$1,018,933  |
| <b>WESTERN</b>         |                      |              |              |             |              |                           |              |             |              |             |              |
| Montana                | 12                   | \$12,013     | \$66,919     | 14          | \$102,901    | 2                         | \$29,819     | 8           | \$31,600     | 2           | \$5,500      |
| Idaho                  | 7                    | 19,300       | 30,500       | 6           | 28,600       | 1                         | 1,200        | 6           | 29,300       | ..          | ..           |
| Wyoming                | 3                    | 35,937       | 44,458       | ..          | ..           | ..                        | ..           | 2           | 19,000       | 1           | 25,458       |
| Colorado               | 35                   | 155,645      | 454,991      | 17          | 189,112      | 3                         | 90,635       | 30          | 361,989      | 2           | 2,367        |
| New Mexico             | 3                    | 8,623        | 12,781       | 6           | 153,230      | ..                        | ..           | 3           | 12,781       | ..          | ..           |
| Arizona                | ..                   | ..           | ..           | ..          | ..           | ..                        | ..           | ..          | ..           | ..          | ..           |
| Utah                   | 14                   | 30,080       | 64,495       | 17          | 106,006      | 2                         | 10,500       | 12          | 53,995       | ..          | ..           |
| Nevada                 | ..                   | ..           | ..           | 1           | 4,500        | ..                        | ..           | ..          | ..           | ..          | ..           |
| Total, 1935            | 74                   | \$261,598    | \$674,144    | 61          | \$585,339    | 8                         | \$132,154    | 61          | \$508,665    | 5           | \$33,325     |
| Total, 1934            | 61                   | \$276,441    | \$585,339    | ..          | ..           | 11                        | \$114,199    | 47          | \$359,962    | 3           | \$111,178    |
| <b>PACIFIC</b>         |                      |              |              |             |              |                           |              |             |              |             |              |
| Washington             | 49                   | \$294,562    | \$526,479    | 77          | \$713,147    | 10                        | \$210,454    | 37          | \$311,867    | 2           | \$4,158      |
| Oregon                 | 69                   | 294,405      | 589,238      | 57          | 567,512      | 12                        | 156,207      | 52          | 379,069      | 5           | 53,962       |
| California             | 280                  | 1,960,354    | 4,348,916    | 312         | 5,799,943    | 66                        | 994,793      | 184         | 2,636,543    | 30          | 717,580      |
| Total, 1935            | 398                  | \$2,549,321  | \$5,464,633  | 446         | \$7,080,602  | 88                        | \$1,361,454  | 273         | \$3,327,479  | 37          | \$775,700    |
| Total, 1934            | 446                  | \$5,515,559  | \$7,080,602  | ..          | ..           | 110                       | \$2,592,507  | 295         | \$3,037,777  | 41          | \$850,318    |
| Total U. S., 1935      | 3,103                | \$25,872,081 | \$54,196,647 | 3,062       | \$72,216,103 | 731                       | \$16,632,552 | 2,127       | \$23,931,190 | 245         | \$13,632,905 |
| Total U. S., 1934      | 3,062                | \$46,191,713 | \$72,216,103 | ..          | ..           | 806                       | \$29,554,754 | 1,959       | \$30,024,380 | 297         | \$12,636,969 |

# BANK CLEARINGS FOR JULY AT FOUR-YEAR PEAK

**B**ANK clearings for July were the highest for a Midsummer month since July, 1931. The total was \$24,103,217,000 for the twenty-two leading cities in the United States. The increase was larger for New York City than for the cities outside of New York.

There was only one month this year when the total was higher than for July, and that was the month of March. Not only were bank clearings in July in excess of every other month this year, excepting March, but for no month in nearly three years prior to March have they been so high.

The trend of bank clearings under normal conditions is generally downward from January to August or September, after which there is a reversal of this movement to the end of the year. July, a Midsummer month, shows clearings in excess of June, because of higher half-yearly settlements. This, however, is not always the case.

Considerable irregularity has appeared in this report during the years of depression. For the cur-

## Daily Average Bank Clearings

|             | 1935          | 1934          | P. Ct. |
|-------------|---------------|---------------|--------|
| July .....  | \$927,047,000 | \$795,762,000 | +16.5  |
| June .....  | 895,995,000   | 818,342,000   | +9.5   |
| May .....   | 881,098,000   | 817,264,000   | +7.8   |
| April ..... | 877,230,000   | 908,558,000   | -3.4   |
| Mar. ....   | 940,785,000   | 811,905,000   | +15.9  |
| Feb. ....   | 868,477,000   | 865,128,000   | +0.4   |
| Jan. ....   | 907,278,000   | 760,338,000   | +18.0  |
| <hr/>       |               |               |        |
| Dec. ....   | 868,144,000   | 745,351,000   | +16.5  |
| Nov. ....   | 739,992,000   | 761,474,000   | -2.8   |
| Oct. ....   | 753,307,000   | 778,720,000   | -3.3   |
| Sept. ....  | 743,202,000   | 730,154,000   | +1.8   |
| Aug. ....   | 675,390,000   | 722,127,000   | -6.5   |

rent year the report of clearings has been far from normal. Bank clearings for the first quarter of this year were a little higher than in the second quarter but, as previously indicated, there was a marked increase for July.

In this table the totals of bank clearings for each week in July are given:

## Bank Clearings Total All

| Week of   | 1935            | 1934            | P. Ct. Change |
|-----------|-----------------|-----------------|---------------|
| July 31.. | \$4,781,936,000 | \$4,513,069,000 | +5.9          |
| July 24.. | 5,315,471,000   | 4,278,154,000   | +24.2         |
| July 17.. | 5,862,756,000   | 5,159,872,000   | +13.6         |
| July 10.. | 4,327,361,000   | 4,709,621,000   | -8.1          |
| July 3..  | 6,810,432,000   | 4,516,592,000   | +50.9         |

## Bank Clearings Outside of New York

| Week of   | 1935            | 1934            | P. Ct. Change |
|-----------|-----------------|-----------------|---------------|
| July 31.. | \$1,645,490,000 | \$1,509,737,000 | +8.8          |
| July 24.. | 1,707,153,000   | 1,530,645,000   | +11.4         |
| July 17.. | 1,887,475,000   | 1,726,222,000   | +9.4          |
| July 10.. | 1,483,505,000   | 1,610,385,000   | -7.9          |
| July 3..  | 2,053,151,000   | 1,481,418,000   | +40.1         |

For the first week of August clearings were much higher than those of a year ago. The total was \$5,596,320,000, an increase of 36.9 per cent. They also exceeded those of the last week of July by \$814,384,000, whereas for the same two weeks of 1934 there was a reduction of \$228,528,000. In addition to New York, gains were heavy at Philadelphia, Baltimore, Atlanta, Chicago, Detroit, Cleveland, Cincinnati, and Kansas City.

Figures at leading centers, compared with those of a year ago, follow:

|                   | Week Aug. 7, 1935 | Week Aug. 8, 1934 | Per Cent Change |
|-------------------|-------------------|-------------------|-----------------|
| Boston .....      | \$198,472         | \$189,234         | +4.9            |
| Philadelphia ..   | 329,000           | 261,000           | +22.2           |
| Buffalo .....     | 28,100            | 26,700            | +5.2            |
| Pittsburgh .....  | 102,061           | 93,117            | +9.6            |
| Cleveland .....   | 64,693            | 54,801            | +18.1           |
| Cincinnati .....  | 42,227            | 34,717            | +21.6           |
| Baltimore .....   | 65,225            | 56,193            | +16.0           |
| Richmond .....    | 28,764            | 26,341            | +9.2            |
| Atlanta .....     | 37,100            | 32,700            | +13.5           |
| New Orleans ..... | 24,812            | 21,069            | +17.8           |
| Chicago .....     | 262,400           | 213,900           | +22.7           |
| Detroit .....     | 99,371            | 74,260            | +33.1           |
| St. Louis .....   | 75,800            | 58,200            | +30.2           |
| Louisville .....  | 24,339            | 20,496            | +18.8           |
| Minneapolis ..... | 62,603            | 56,796            | +10.2           |
| Kansas City ..... | 96,996            | 73,540            | +31.9           |
| Omaha .....       | 27,561            | 25,932            | +6.3            |
| Dallas .....      | 34,804            | 29,150            | +19.4           |
| San Francisco ..  | 131,700           | 103,300           | +27.4           |
| Portland, Ore. .. | 24,122            | 22,775            | +6.0            |
| Seattle .....     | 27,181            | 20,708            | +31.5           |
| Total .....       | \$1,787,331       | \$1,494,927       | +19.6           |
| New York .....    | 3,808,989         | 2,591,614         | +47.0           |
| Total All....     | \$5,596,320       | \$4,086,541       | +36.9           |

## WEEKLY BANK CLEARINGS FOR THE MONTH OF JULY

|                   | Week July 3, 1935 | Per Cent | Five Days July 10, 1935 | Per Cent | Week July 17, 1935 | Per Cent | Week July 24, 1935 | Per Cent | Week July 31, 1935 | Per Cent |
|-------------------|-------------------|----------|-------------------------|----------|--------------------|----------|--------------------|----------|--------------------|----------|
| Boston .....      | \$269,411         | +54.2    | \$176,766               | -6.8     | \$223,058          | -5.8     | \$223,812          | +22.0    | \$199,189          | +11.6    |
| Philadelphia ..   | 396,000           | +36.6    | 278,000                 | -12.6    | 352,000            | +14.7    | 292,000            | -2.3     | 293,000            | ....     |
| Buffalo .....     | 32,900            | +17.5    | 24,200                  | -15.7    | 30,700             | +4.4     | 25,900             | +4.0     | 28,300             | +3.7     |
| Pittsburgh .....  | 126,823           | +20.6    | 78,278                  | -9.3     | 102,400            | +2.2     | 98,690             | +12.0    | 102,453            | +11.9    |
| Cleveland .....   | 72,648            | +33.2    | 54,225                  | -17.0    | 76,908             | +11.4    | 66,883             | +6.2     | 61,364             | +10.2    |
| Cincinnati .....  | 52,458            | +47.6    | 42,342                  | +3.0     | 50,306             | +7.8     | 47,324             | +17.5    | 41,452             | +8.2     |
| Baltimore .....   | 72,385            | +32.8    | 49,691                  | -15.4    | 60,591             | +5.0     | 55,610             | +9.7     | 54,435             | -0.8     |
| Richmond .....    | 35,203            | +37.8    | 24,753                  | -15.5    | 33,089             | +17.6    | 28,573             | +6.5     | 28,444             | +11.6    |
| Atlanta .....     | 40,700            | +44.3    | 31,700                  | -16.4    | 40,600             | +6.8     | 36,800             | +11.2    | 33,900             | -2.6     |
| New Orleans ..    | 28,195            | +12.0    | 21,049                  | +9.1     | 23,033             | +1.1     | 23,888             | +15.7    | 20,304             | -0.9     |
| Chicago .....     | 299,500           | +45.3    | 213,200                 | -7.7     | 275,000            | +10.3    | 236,700            | +10.6    | 244,400            | +14.3    |
| Detroit .....     | 98,466            | +43.4    | 68,547                  | +2.7     | 83,654             | +14.1    | 76,561             | +14.0    | 82,848             | +9.6     |
| St. Louis .....   | 82,700            | +37.6    | 63,700                  | +11.6    | 81,300             | +4.1     | 72,000             | +7.6     | 67,400             | -1.0     |
| Louisville .....  | 24,875            | +20.0    | 22,188                  | -9.2     | 29,613             | +18.6    | 24,494             | +16.5    | 22,173             | +37.0    |
| Minneapolis ..    | 62,337            | +28.6    | 52,409                  | -10.0    | 68,554             | +20.0    | 61,554             | +20.2    | 57,388             | +15.3    |
| Kansas City ..    | 94,593            | +45.0    | 74,782                  | -12.3    | 93,231             | +5.3     | 93,586             | +14.0    | 86,018             | +9.3     |
| Omaha .....       | 28,068            | +4.9     | 27,042                  | -0.4     | 30,860             | +5.6     | 27,885             | +2.4     | 26,312             | +3.8     |
| Dallas .....      | 35,137            | +39.7    | 29,475                  | -12.6    | 37,500             | +4.4     | 36,677             | +12.7    | 33,696             | +12.8    |
| San Francisco ..  | 140,700           | +34.8    | 107,200                 | -1.8     | 138,385            | +27.7    | 124,936            | +30.5    | 115,235            | +21.3    |
| Portland, Ore. .. | 30,494            | +83.8    | 22,806                  | +13.6    | 26,108             | +21.7    | 25,046             | +18.1    | 21,311             | +16.3    |
| Seattle .....     | 29,558            | +58.6    | 22,652                  | -1.5     | 30,585             | +22.5    | 28,234             | +31.7    | 25,868             | +21.3    |
| Total .....       | \$2,053,151       | +40.1    | \$1,483,505             | -7.9     | \$1,887,475        | +9.4     | \$1,707,153        | +11.4    | \$1,645,490        | +8.8     |
| New York .....    | 4,757,281         | +56.7    | 2,843,856               | -8.2     | 3,975,281          | +15.8    | 3,608,318          | +31.3    | 3,136,446          | +4.4     |
| Total All....     | \$6,810,432       | +50.9    | \$4,327,361             | -8.1     | \$5,862,756        | +13.6    | \$5,315,471        | +24.2    | \$4,781,936        | +5.9     |

Note—Clearings reported in millions and thousands (000 omitted throughout). Percentage shows increase or decrease compared with the figures of the same week in 1934.

# THE TREND OF PRICES

THE trend of wholesale price values turned upward during July, following the downward movement witnessed in June. The gain was influenced mainly by the steady rise in breadstuffs, livestock and foods generally, in addition to strength in textiles and metals. As a result, both of the monthly indices rose slightly over the preceding figures.

## Dun & Bradstreet Turns Upward

With only two interruptions, in March and in June, the Dun & Bradstreet Monthly Commodity Price Index has climbed steadily higher since last November. At \$9.9185 for August 1, the latest index sets a peak for almost five years, and shows a gain of 0.8 per cent over July 1, and of 6.4 per cent above August 1, 1934.

| Groups:                | Aug. 1, 1935 | July 1, 1935 | Aug. 1, 1934 |
|------------------------|--------------|--------------|--------------|
| Breadstuffs .....      | \$0.1086     | \$0.1066     | \$0.1168     |
| Livestock .....        | .3353        | .3145        | .2220        |
| Provisions .....       | 2.8064       | 2.7526       | 2.2892       |
| Fruits .....           | .2301        | .2096        | .2475        |
| Hides and Leather...   | .9625        | .9800        | .8100        |
| Textiles .....         | 2.7885       | 2.7683       | 2.7890       |
| Metals .....           | .7750        | .7640        | .7748        |
| Coal and Coke .....    | .0109        | .0110        | .0113        |
| Oils .....             | .5033        | .5071        | .4886        |
| Naval Stores .....     | .1193        | .1243        | .1195        |
| Building Materials...  | .1115        | .1115        | .1079        |
| Chemicals and Drugs... | .8478        | .8478        | .8477        |
| Miscellaneous .....    | .3193        | .3443        | .4973        |
| Total All .....        | \$9.9185     | \$9.8416     | \$9.3216     |

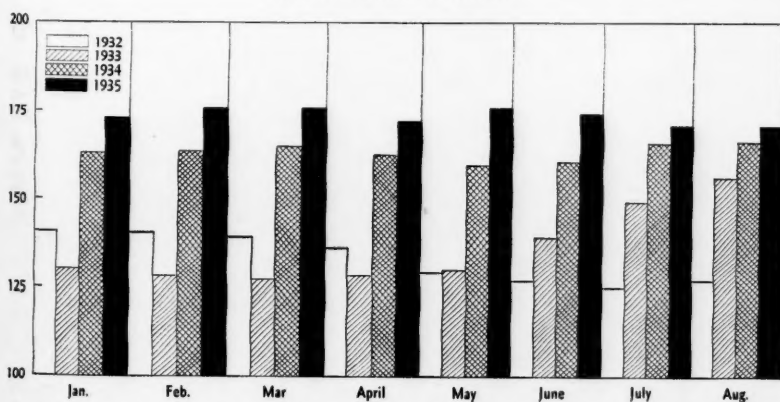
The rise in July was due mostly to the widespread advance in foods and breadstuffs and firmness in the textiles and metals groups. In all, 6 groups advanced during the past month, while 5 groups declined and 2 remained unchanged. Individual price changes showed 23 commodities higher, 24 lower and 49 unchanged.

## Slight Gain in Dun's Index

After the steady downtrend during the two months preceding, Dun's Index Number of Wholesale Commodity Prices rose to \$171.511 on August 1. The improvement was moderate, however, as the gain over the July 1 position at \$171.046, which represented the year's low, amounted to \$0.465, or 0.03 per cent. The steadiness which marked the course of wholesale prices during July made wide recovery impossible, and the index was lower by 0.9 per cent than on January 1.

|                | Aug. 1, 1935 | July 1, 1935 | June 1, 1935 | Aug. 1, 1934 |
|----------------|--------------|--------------|--------------|--------------|
| Breadstuffs .. | \$26.988     | \$26.517     | \$26.121     | \$25.348     |
| Meat .....     | 19.942       | 20.194       | 23.068       | 14.840       |
| Dairy & Garden | 18.164       | 17.582       | 18.761       | 19.440       |
| Other Food...  | 17.130       | 17.228       | 17.288       | 16.311       |
| Clothing ..... | 29.046       | 28.746       | 28.602       | 27.590       |
| Metals .....   | 22.071       | 21.916       | 21.999       | 23.560       |
| Miscellaneous. | 38.170       | 38.863       | 38.475       | 40.823       |
| Total .....    | \$171.511    | \$171.046    | \$174.314    | \$167.912    |

DUN'S INDEX NUMBER



Following two declines, Dun's Price Index turned up in July. The improvement was moderate, however, and brought the August 1 position to \$171.511, which represented the highest level for that date since 1929.

## Food Price Rise Sustained

Continuing the upward movement of the past month, the Dun & Bradstreet Weekly Food Index advanced 4c. for the period ended August 6. This represented a gain of 1.5 per cent for the week and of 4.5 per cent above the year's low of \$2.56 recorded in the first week of July. The latest figure, moreover, marks the highest level for wholesale food prices since April 23, last, and shows a rise of 19.7 per cent over a year ago.

|              | 1935   | 1934   | 1933   | 1932   | 1931   |
|--------------|--------|--------|--------|--------|--------|
| Aug. 6.....  | \$2.67 | \$2.23 | \$1.95 | \$1.76 | \$2.16 |
| July 30..... | 2.63   | 2.18   | 1.97   | 1.74   | 2.19   |
| July 23..... | 2.60   | 2.18   | 1.99   | 1.72   | 2.19   |
| July 16..... | 2.58   | 2.17   | 2.08   | 1.73   | 2.18   |
| July 9.....  | 2.58   | 2.16   | 2.03   | 1.73   | 2.19   |
| July 2.....  | 2.56   | 2.16   | 1.96   | 1.67   | 2.15   |

## Daily Commodity Index

Daily fluctuations in the Dun & Bradstreet Daily Weighted Price Index since March 1, 1935, are set forth in the following table:

| (1930-1932 = 100) |         |         |         |         |        |
|-------------------|---------|---------|---------|---------|--------|
| 1935              |         |         |         |         |        |
|                   | July    | June    | May     | April   | Mar.   |
| 1....             | 117.91  | 117.92  | 122.00  | 119.84  | 122.57 |
| 2....             | 117.80  | ↑       | 121.25  | 120.40  | 122.23 |
| 3....             | 118.07  | 118.25  | 121.44  | 120.74  | ↑      |
| 4....             | Holiday | 118.98  | 121.30  | 120.97  | 121.61 |
| 5....             | 116.41  | 118.62  | ↑       | 121.08  | 121.52 |
| 6....             | Holiday | 119.10  | 121.16  | 121.14  | 121.77 |
| 7....             | ↑       | 118.71  | 121.00  | ↑       | 121.48 |
| 8....             | 117.00  | 118.97  | 121.17  | 121.92  | 122.03 |
| 9....             | 118.09  | ↑       | 121.50  | 122.36  | 121.40 |
| 10....            | 118.00  | 118.72  | 121.57  | 122.95  | ↑      |
| 11....            | 117.61  | 118.48  | 120.98  | 123.19  | 119.87 |
| 12....            | 117.67  | 118.01  | ↑       | 123.32  | 119.34 |
| 13....            | Holiday | 116.99  | 120.23  | 123.76  | 119.51 |
| 14....            | ↑       | 117.18  | 120.52  | ↑       | 118.97 |
| 15....            | 117.41  | 117.31  | 120.74  | 123.24  | 118.62 |
| 16....            | 117.50  | ↑       | 121.59  | 123.92  | 117.42 |
| 17....            | 118.18  | 117.50  | 121.54  | 123.25  | ↑      |
| 18....            | 118.17  | 117.56  | 120.85  | 123.65  | 116.22 |
| 19....            | 117.99  | 117.27  | ↑       | Holiday | 116.83 |
| 20....            | Holiday | 117.26  | 121.18  | Holiday | 117.33 |
| 21....            | ↑       | 117.29  | 121.18  | ↑       | 117.28 |
| 22....            | 118.15  | Holiday | 121.20  | 123.61  | 118.09 |
| 23....            | 117.78  | ↑       | 121.38  | 122.94  | 117.76 |
| 24....            | 118.26  | 116.73  | 120.68  | 122.92  | ↑      |
| 25....            | 118.52  | 116.47  | 120.13  | 122.70  | 118.29 |
| 26....            | 118.97  | 116.80  | ↑       | 123.20  | 118.65 |
| 27....            | Holiday | 116.62  | 119.94  | 122.63  | 119.38 |
| 28....            | ↑       | 117.90  | 119.53  | ↑       | 119.28 |
| 29....            | 120.25  | Holiday | 118.71  | 122.06  | 119.44 |
| 30....            | 119.46  | ↑       | Holiday | 121.79  | 120.02 |
| 31....            | 120.91  |         | 117.84  | ↑       |        |
| ↑ Sunday          |         |         |         |         |        |
| High              |         |         |         |         |        |
| 1935....          | 124.27  | Feb. 18 |         |         |        |
| 1934....          | 121.58  | Dec. 31 |         |         |        |
| 1933....          | 113.52  | July 18 |         |         |        |
| 1932....          | 84.41   | Jan. 7  |         |         |        |
| Low               |         |         |         |         |        |
|                   | 116.22  | Mar. 18 |         |         |        |
|                   | 101.05  | Jan. 3  |         |         |        |
|                   | 67.86   | Jan. 20 |         |         |        |
|                   | 69.55   | Dec. 24 |         |         |        |



# STATISTICAL RECORD OF

## VISIBLE GRAIN SUPPLIES

Returns to DUN & BRADSTREET, INC., of available wheat stocks held on August 3, 1935, in the United States and Canada, leading ports of the United Kingdom and Europe, and the supply on passage for the United Kingdom, also the stocks of corn and oats held in the United States and Canada, with comparisons, are as follows, figures being in bushels:

| Wheat   | Aug. 3, 1935 | Changes from Last Week | Aug. 4, 1934 |
|---|--------------|------------------------|--------------|
| United States, east of Rocky Mountains.....             | 36,674,000   | + 6,090,000            | 117,973,000  |
| United States, west of Rocky Mountains.....             | 2,365,000    | + 404,000              | 4,791,000    |
| Canada.....   | 192,419,000  | + 4,892,000            | 185,120,000  |
| Total, United States and Canada.....                    | 231,458,000  | + 11,386,000           | 307,884,000  |
| United Kingdom and Afloat (Broomhall).....              | 25,700,000   | — 900,000              | 48,300,000   |
| Total, American, United Kingdom and Afloat.....         | 257,158,000  | + 10,486,000           | 356,184,000  |
| Continent {Marseilles<br>Rotterdam & } (Broomhall)..... | 2,000,000    | — 900,000              | 4,000,000    |
| Total, American and European Supply.....                | 259,158,000  | + 9,586,000            | 360,184,000  |
| Corn—United States and Canada.....                      | 7,317,000    | — 243,000              | 44,830,000   |
| Oats—United States and Canada.....                      | 12,997,000   | + 1,218,000            | 31,711,000   |

The combined aggregate wheat visible supply statistics, in bushels, follow. (Last three 000 omitted):

| Week ending 1935 | U. S. east of Rockies | U. S. Pacific Coast | Total U. S. | Canada  | Total U. S. and Canada | U. K. and Afloat | Total American, U. K. and Afloat | Continent Europe | Total America and Europe |
|------------------|-----------------------|---------------------|-------------|---------|------------------------|------------------|----------------------------------|------------------|--------------------------|
| May 11.....      | 37,854                | 3,568               | 41,422      | 210,585 | 251,585                | 48,100           | 294,685                          | 4,100            | 298,785                  |
| May 18.....      | 34,768                | 3,698               | 38,466      | 206,833 | 245,299                | 44,000           | 289,299                          | 4,200            | 293,499                  |
| May 25.....      | 32,850                | 3,188               | 36,038      | 201,753 | 237,791                | 45,000           | 282,791                          | 4,000            | 286,791                  |
| June 1.....      | 31,607                | 3,034               | 34,641      | 199,926 | 234,567                | 46,800           | 281,367                          | 3,100            | 284,467                  |
| June 8.....      | 29,036                | 2,790               | 31,826      | 196,748 | 228,574                | 45,500           | 274,074                          | 3,500            | 277,574                  |
| June 15.....     | 26,613                | 2,735               | 29,348      | 196,939 | 226,287                | 41,100           | 267,387                          | 3,500            | 270,887                  |
| June 22.....     | 25,614                | 2,629               | 28,243      | 196,673 | 224,916                | 39,400           | 263,316                          | 2,900            | 266,216                  |
| June 29.....     | 23,739                | 2,144               | 25,883      | 194,779 | 220,662                | 37,300           | 257,962                          | 3,000            | 260,962                  |
| July 6.....      | 23,905                | 2,044               | 25,949      | 194,412 | 220,416                | 34,200           | 254,616                          | 3,300            | 257,916                  |
| July 13.....     | 24,507                | 2,093               | 26,600      | 194,784 | 221,384                | 30,700           | 252,084                          | 3,400            | 255,484                  |
| July 20.....     | 26,354                | 2,001               | 28,355      | 187,832 | 216,187                | 28,900           | 245,087                          | 3,000            | 248,087                  |
| July 27.....     | 30,584                | 1,961               | 32,545      | 187,527 | 220,072                | 26,600           | 246,672                          | 2,900            | 249,572                  |
| Aug. 3.....      | 36,674                | 2,365               | 39,039      | 192,419 | 231,458                | 25,700           | 257,158                          | 2,000            | 259,158                  |

## Corn Exports

(By telegraph to Dun & Bradstreet, Inc.)

Corn exports in bushels from leading United States and Canadian ports compare as follows:

| Week ending  | 1935  | 1934   | 1933   |
|--------------|-------|--------|--------|
| Apr. 6.....  | 1,000 | 10,000 | 4,000  |
| Apr. 13..... | ..... | 19,000 | 1,000  |
| Apr. 20..... | ..... | 6,000  | .....  |
| Apr. 27..... | ..... | 11,000 | 27,000 |
| May 4.....   | ..... | 5,000  | 6,000  |
| May 11.....  | ..... | 59,000 | 4,000  |
| May 18.....  | ..... | 3,000  | 8,000  |
| May 25.....  | 1,000 | 1,000  | 1,000  |
| June 1.....  | ..... | 2,000  | 1,000  |
| June 8.....  | ..... | 1,000  | 5,000  |
| June 15..... | ..... | 2,000  | .....  |
| June 22..... | ..... | 2,000  | 7,000  |
| June 29..... | ..... | .....  | 7,000  |
| July 6.....  | ..... | .....  | 7,000  |
| July 13..... | 1,000 | .....  | 4,000  |
| July 20..... | ..... | .....  | 7,000  |
| July 27..... | ..... | .....  | .....  |
| Aug. 3.....  | ..... | .....  | .....  |

July 1 to date... 1,000 ..... 18,000

## Wheat and Flour Exports

(By telegraph to Dun & Bradstreet, Inc.)

The quantity of wheat (including flour as wheat) exported from leading United States and Canadian ports for the week and season compare as follows, in bushels:

| Week ending  | 1935      | 1934      | 1933      |
|--------------|-----------|-----------|-----------|
| Apr. 6.....  | 2,314,734 | 3,426,419 | 2,391,651 |
| Apr. 13..... | 2,798,928 | 4,673,594 | 3,690,539 |
| Apr. 20..... | 2,364,673 | 2,817,302 | 2,343,174 |
| Apr. 27..... | 2,986,899 | 3,256,079 | 4,675,488 |
| May 4.....   | 1,748,176 | 4,087,897 | 5,397,016 |
| May 11.....  | 3,289,049 | 3,934,310 | 3,569,009 |
| May 18.....  | 3,802,886 | 6,214,939 | 6,804,693 |
| May 25.....  | 3,895,495 | 3,188,825 | 5,314,386 |
| June 1.....  | 3,878,583 | 3,319,231 | 4,338,194 |
| June 8.....  | 1,276,420 | 2,539,021 | 6,625,320 |
| June 15..... | 1,183,644 | 3,611,730 | 5,915,579 |
| June 22..... | 1,905,805 | 4,088,852 | 3,166,156 |
| June 29..... | 3,149,125 | 3,917,913 | 3,893,712 |
| July 6.....  | 1,820,161 | 2,121,280 | 2,871,139 |
| July 13..... | 2,022,880 | 3,812,925 | 3,738,840 |
| July 20..... | 1,896,768 | 3,346,987 | 2,575,448 |
| July 27..... | 2,564,594 | 3,100,955 | 2,619,189 |
| Aug. 3.....  | 2,547,974 | 3,161,307 | 3,741,702 |

July 1 to date. 10,552,377 15,043,424 15,546,318

## Grain Movement

Receipts of flour and grain at twelve Western lake and river points for the week and season compare as follows (000 omitted):

| Week                                     | Flour, bbls. | Wheat, bus.    | Corn, bus. | Oats, bus. |
|--|--------------|----------------|------------|------------|
| Aug. 4, 1935.....                        | 340          | 17,473         | 1,727      | 1,577      |
| July 27, 1935.....                       | 331          | 11,166         | 1,851      | 643        |
| July 20, 1935.....                       | 398          | 8,688          | 2,476      | 377        |
| July 13, 1935.....                       | 371          | 5,593          | 1,302      | 410        |
| July 6, 1935.....                        | 310          | 3,780          | 1,850      | 788        |
| Aug. 5, 1934.....                        | 362          | 9,887          | 12,040     | 2,427      |
| Season, July 1, 1935, to August 3, 1935— |              |                |            |            |
| Flour, bbls.....                         | 1,748        | Corn, bus..... | 9,206      |            |
| Wheat, bus.....                          | 46,700       | Oats, bus..... | 3,795      |            |
| Season, July 1, 1934, to August 4, 1934— |              |                |            |            |
| Flour, bbls.....                         | 1,589        | Corn, bus..... | 39,975     |            |
| Wheat, bus.....                          | 69,987       | Oats, bus..... | 6,691      |            |

## Cereal Exports by Ports

(By telegraph to Dun & Bradstreet, Inc.)

Exports of cereals from leading ports in the United States and Canada for the week ending August 3, 1935, were as follows:

| From                | Flour, barrels | Wheat, bushels | Corn, bushels |
|---------------------|----------------|----------------|---------------|
| New York.....       | 5,216          | 356,000        | .....         |
| Albany, N. Y.....   | .....          | 392,000        | .....         |
| Philadelphia.....   | .....          | .....          | .....         |
| Baltimore.....      | .....          | .....          | .....         |
| Boston.....         | .....          | .....          | .....         |
| New Orleans.....    | 1,000          | .....          | .....         |
| Total Atlantic..... | 6,216          | 748,000        | .....         |
| Previous week.....  | 6,030          | 827,000        | .....         |
| San Francisco.....  | 982            | .....          | .....         |
| Portland, Ore.....  | .....          | .....          | .....         |
| Puget Sound.....    | 3,675          | .....          | .....         |
| Total Pacific.....  | 4,657          | .....          | .....         |
| Previous week.....  | 8,983          | 163            | .....         |
| Total, U. S.....    | 10,873         | 748,000        | .....         |
| Previous week.....  | 15,013         | 827,168        | .....         |
| Montreal.....       | 79,000         | 757,000        | .....         |
| Sorel.....          | .....          | 229,000        | .....         |
| Halifax.....        | 2,000          | .....          | .....         |
| Vancouver.....      | .....          | 375,545        | .....         |
| Quebec.....         | .....          | 26,000         | .....         |
| Total Canada.....   | 81,000         | 1,386,545      | .....         |
| Previous week.....  | 110,801        | 1,171,263      | .....         |
| Grand total.....    | 91,873         | 2,134,545      | .....         |
| Previous week.....  | 125,814        | 1,998,431      | .....         |

## U. S. Grain East of Rocky Mountains

Stocks of grain available in the United States August 3, 1935, in bushels, were as follows, with comparisons:

(Last three 000 omitted)

|                               | Wheat | Corn  | Oats  | Barley |
|-------------------------------|-------|-------|-------|--------|
| Minneapolis.....              | 4,752 | 843   | 2,488 | 1,571  |
| Duluth.....                   | 1,936 | ..... | 1,225 | 454    |
| Sioux City, Iowa.....         | 141   | 56    | 14    | 23     |
| Milwaukee.....                | 222   | 120   | 47    | 340    |
| Omaha and Council Bluffs..... | 2,422 | 558   | 79    | .....  |
| Hutchinson.....               | 2,679 | ..... | ..... | .....  |
| Lincoln, Neb.....             | 350   | 25    | ..... | .....  |
| Wichita.....                  | 1,240 | ..... | 1     | .....  |
| Kansas City.....              | 8,869 | 37    | 437   | 2      |
| St. Joseph.....               | 511   | 105   | 113   | 4      |
| Chicago.....                  | 3,870 | 1,896 | 1,478 | 639    |
| Afloat.....                   | ..... | ..... | ..... | .....  |
| Manitowoc.....                | ..... | 690   | ..... | .....  |
| Peoria.....                   | ..... | ..... | ..... | .....  |
| Indianapolis.....             | 384   | 464   | 15    | .....  |
| St. Louis.....                | 1,257 | 53    | 109   | 26     |
| Louisville.....               | 473   | 35    | 2     | 1      |
| Chattanooga.....              | 40    | 118   | ..... | .....  |
| Nashville.....                | 117   | 81    | 63    | .....  |
| New Orleans.....              | 23    | 414   | 52    | .....  |
| Houston.....                  | ..... | ..... | ..... | .....  |
| Galveston.....                | 680   | 508   | ..... | .....  |
| Fort Worth, Tex.....          | 1,790 | 119   | 440   | 15     |
| Dallas, Tex.....              | 384   | ..... | ..... | .....  |
| On Lakes.....                 | ..... | ..... | ..... | .....  |
| On Canal.....                 | ..... | ..... | ..... | .....  |
| Detroit.....                  | 160   | 10    | 15    | 40     |
| Erie, Pa.....                 | ..... | ..... | ..... | .....  |
| Cleveland.....                | 84    | ..... | ..... | .....  |
| Mansfield.....                | 80    | 7     | 27    | .....  |
| Dayton.....                   | 5     | 3     | 4     | 3      |
| Cincinnati.....               | 406   | 42    | 38    | .....  |
| Buffalo.....                  | 1,951 | 343   | 78    | 546    |
| Afloat.....                   | 232   | ..... | ..... | .....  |
| Boston.....                   | 6     | 134   | 30    | 5      |
| Providence, R. I.....         | 3     | 26    | 13    | 2      |
| New York.....                 | 45    | 439   | 264   | .....  |
| Afloat.....                   | ..... | ..... | ..... | .....  |
| Philadelphia.....             | 443   | 143   | 14    | 4      |
| Baltimore.....                | 1,105 | 38    | 25    | 6      |
| Newport News.....             | ..... | ..... | ..... | .....  |
| Norfolk.....                  | ..... | 10    | ..... | .....  |

Aug. 3, 1935..... 36,674 7,317 7,075 3,681  
July 27, 1935..... 30,584 7,560 6,961 3,855  
Aug. 4, 1934..... 117,973 44,880 21,445 6,946

## Canadian Grain Stocks

The available grain stocks in Canada August 3, 1935, follow, with comparisons:

(Last three 000 omitted)

|  | Wheat  | Corn  | Oats  | Barley |
|--|--------|-------|-------|--------|
| Montreal.....                          | 11,028 | ..... | 243   | 537    |
| Churchill.....                         | 2,389  | ..... | ..... | .....  |
| Country Elevators.....                 | 49,633 | ..... | 935   | 450    |
| Int. Term. Elevators.....              | 1,105  | ..... | 25    | 1      |
| Int. Private & Mfg. Elevators.....     | 6,818  | ..... | 654   | 883    |
| Ft. William and Pt. Arthur.....        | 71,458 | ..... | 3,705 | 979    |
| Canadian Afloat.....                   | .....  | ..... | ..... | 115    |
| Victoria.....                          | .....  | ..... | ..... | .....  |
| Vancouver.....                         | 8,849  | ..... | 59    | 57     |
| Prince Rupert.....                     | 30     | ..... | ..... | .....  |
| Bonded grain in the United States..... | 10,066 | ..... | ..... | 460    |
| Other Canadian.....                    | 31,043 | ..... | 302   | 217    |

Aug. 3, 1935..... 192,419 ..... 5,922 3,699  
July 27, 1935..... 187,527 ..... 4,818 3,909  
Aug. 4, 1934..... 185,120 ..... 10,266 8,650

The Montreal, Fort William and Port Arthur and bonded grain totals are furnished by the New York Produce Exchange and Chicago Board of Trade. The other Canadian totals are telegraphed to DUN & BRADSTREET, Inc., by the Agricultural Branch of the Dominion Bureau of Statistics of Ottawa.

## Pacific Coast Wheat Stocks

|                    | Aug. 3, 1935 | July 27, 1935 |
|--------------------|--------------|---------------|
| Portland, Ore..... | 1,148,000    | 959,000       |
| Tacoma, Wash.....  | 629,000      | 412,000       |
| Seattle, Wash..... | 588,000      | 590,000       |
| Total.....         | 2,365,000    | 1,961,000     |

# COMMERCE AND FINANCE

## FINANCIAL STATISTICS

|  | July,<br>1935 | July,<br>1934 | Ch'ge<br>P. Ct. | June,<br>1935 | Ch'ge<br>P. Ct. |
|--|---------------|---------------|-----------------|---------------|-----------------|
| Bank clearings, N. Y.                  |               |               |                 |               |                 |
| City (\$)                              | 16,271,458    | 13,048,393    | + 24.7          | 15,002,041    | + 8.5           |
| Bank debits, N. Y.                     |               |               |                 |               |                 |
| City (\$)                              | 16,736,780    | 13,841,956    | + 20.9          | 15,066,326    | + 6.8           |
| Bank debits, U. S. (\$)                | 33,393,538    | 27,751,905    | + 20.3          | 31,581,403    | + 5.7           |
| Bond sales, Munic. (\$)                | 86,443,764    | 122,575,347   | - 29.5          | 69,186,305    | + 24.9          |
| Bond sales, N. Y. Curb                 |               |               |                 |               |                 |
| Exchange (\$)                          | 101,676,000   | 74,054,000    | + 37.3          | 99,806,000    | + 1.9           |
| Bond sales, N. Y. Stock                |               |               |                 |               |                 |
| Exchange (\$)                          | 233,990,900   | 264,604,200   | - 11.6          | 265,093,200   | - 11.7          |
| Corporate issues, (\$)                 | 451,011,000   | 236,420,750   | + 90.8          | 358,513,150   | + 25.8          |
| Failures, number                       | 931           | 912           | + 2.1           | 961           | - 3.1           |
| Stock sales, N. Y. Curb                |               |               |                 |               |                 |
| Exchange (shares)                      | 4,959,993     | 4,136,739     | + 19.9          | 4,439,257     | + 11.7          |
| Stock sales, N. Y. Stock               |               |               |                 |               |                 |
| Exchange (shares)                      | 29,429,387    | 21,115,884    | + 39.4          | 22,339,512    | + 31.7          |
|  | June,<br>1935 | June,<br>1934 | Ch'ge<br>P. Ct. | May,<br>1935  | Ch'ge<br>P. Ct. |
| Automobile financing, re-<br>tail (\$) | 106,048,353   | 99,113,597    | + 7.0           | 107,820,587   | - 1.6           |
| Auto. financing, whole-<br>sale (\$)   | 118,626,411   | 102,706,220   | + 15.5          | 132,074,003   | - 10.2          |
| Fire losses (\$)                       | 18,499,075    | 20,005,692    | - 7.5           | 21,238,205    | - 12.9          |
| Foreign Trade, U. S.                   |               |               |                 |               |                 |
| Merch. Exports (\$)                    | 170,193,000   | 170,519,000   | - 0.2           | 165,456,000   | + 2.9           |
| Foreign Trade, U. S.                   |               |               |                 |               |                 |
| Merch. Imports (\$)                    | 156,756,000   | 136,109,000   | + 15.2          | 170,559,000   | - 8.1           |
| Life insurance, sales, (\$)            | 697,471,000   | 762,490,000   | - 8.5           | 732,188,000   | - 4.7           |
| Ry. earnings, gross (\$)               | 281,335,912   | 282,779,493   | - 0.5           | 279,549,320   | + 0.6           |
| Ry. earnings, net oper.                |               |               |                 |               |                 |
| Income (\$)                            | 34,024,691    | 42,037,757    | - 19.1          | 39,505,068    | - 13.9          |

\* Three cyphers omitted. † Dun & Bradstreet, Inc. ‡ Journal of Commerce.

## PRODUCTION

|  | July,<br>1935 | July,<br>1934 | Ch'ge<br>P. Ct. | June,<br>1935 | Ch'ge<br>P. Ct. |
|--|---------------|---------------|-----------------|---------------|-----------------|
| Building† (215 cities) (\$)                    | 54,191,787    | 33,899,650    | + 59.9          | 52,677,369    | + 2.9           |
| Coal, anthracite (tons)                        | 3,549,000     | 3,448,000     | + 3.1           | 5,642,000     | - 37.1          |
| Coal, bituminous (tons)                        | 22,252,000    | 24,869,000    | - 10.5          | 30,067,000    | - 26.0          |
| Flour (bbls.)                                  | 4,818,990     | 4,780,134     | + 0.8           | 4,773,345     | + 0.9           |
| Pig iron (tons)                                | 1,520,263     | 1,224,826     | + 24.2          | 1,552,514     | - 2.1           |
| Steel ingot (tons)                             | 2,270,224     | 1,489,453     | + 52.5          | 2,230,893     | + 1.8           |
| Zinc (tons)                                    | 35,055        | 24,756        | + 41.6          | 34,677        | + 1.1           |
|  | June,<br>1935 | June,<br>1934 | Ch'ge<br>P. Ct. | May,<br>1935  | Ch'ge<br>P. Ct. |
| Automobile (cars and<br>trucks)                | 361,320       | 306,477       | + 17.9          | 364,727       | - 0.9           |
| Boots and shoes (pairs)                        | 26,485,379    | 28,543,777    | - 7.2           | 30,749,816    | - 13.9          |
| Habbit metal (lbs.)                            | 2,166,755     | 2,261,692     | - 4.2           | 2,244,886     | - 3.5           |
| Cement (bbls.)                                 | 8,730,000     | 8,813,000     | - 0.9           | 8,222,000     | + 6.2           |
| Coke (tons)                                    | 2,660,113     | 3,050,975     | - 12.8          | 2,850,236     | - 6.7           |
| Const. contracts awarded<br>(37 States) † (\$) | 148,005,200   | 127,116,000   | + 16.4          | 126,719,000   | + 16.8          |
| Cotton mill spin. hours*                       | 5,083,383     | 5,253,454     | - 3.2           | 6,095,335     | - 16.6          |
| Electricity, kw. h. ....                       | 38,180,000    | 34,850,000    | + 9.6           | 37,583,000    | + 1.6           |
| Gasoline (bbls.)                               | 13,163,000    | 6,520,000     | + 101.9         | 14,582,000    | - 9.7           |
| Glass, pl. pol. (sq. ft.)                      | 889,026       | 868,129       | + 2.4           | 916,035       | - 2.9           |
| Gold (Rand) (ozs.)                             | 33,002        | 33,218        | - 0.7           | 37,358        | - 11.7          |
| Lead, refined (tons)                           | 27,548        | 28,340        | - 2.8           | 34,729        | - 20.7          |
| Malleable castings (tons)                      | 309,359       | 313,154       | - 1.2           | 327,054       | - 5.4           |
| Newsprint, U. S. & Can-<br>ada (tons)          | 256,665       | 224,214       | + 14.5          | 262,463       | - 2.2           |
| Paperboard (tons)                              | 82,338,000    | 80,040,000    | + 2.9           | 82,454,000    | - 0.1           |
| Petroleum, crude (bbls.)                       | 4,175,170     | 4,456,223     | - 6.3           | 4,511,735     | - 7.4           |
| Pneumatic casings                              | 504,930       | 701,826       | - 28.1          | 551,882       | - 8.5           |
| Range boilers (no.)                            | 27,665        | 50,268        | - 45.0          | 30,646        | - 9.7           |
| Steel bars, commer-<br>cial (tons)             | 143,309       | 199,438       | - 28.1          | 191,507       | - 25.2          |
| Steel sheets (short tons)                      | 99,176        | 92,894        | + 6.8           | 111,102       | - 10.7          |
| Sulphuric acid (tons)                          |               |               |                 |               |                 |
| Tobacco and products                           |               |               |                 |               |                 |
| Cigarettes, small*                             | 12,119,688    | 12,045,063    | + 0.6           | 11,708,750    | + 3.5           |
| Cigars, large                                  | 402,272,246   | 404,455,760   | - 0.5           | 407,731,360   | - 1.3           |
| Tobacco and snuff<br>(lbs.)                    | 27,870,210    | 29,419,516    | - 5.2           | 30,602,884    | - 8.9           |

\* Three cyphers omitted. † Dun & Bradstreet, Inc. ‡ F. W. Dodge Corp.  
§ May and corresponding months.

## SHIPMENTS AND CONSUMPTION

|  | July,<br>1935 | July,<br>1934 | Ch'ge<br>P. Ct. | June,<br>1935 | Ch'ge<br>P. Ct. |
|--|---------------|---------------|-----------------|---------------|-----------------|
| Silk consumption (bales)                   | 44,166        | 32,021        | + 37.9          | 33,728        | + 30.9          |
| Steel shipments (tons)                     | 547,794       | 369,938       | + 48.1          | 578,108       | - 5.2           |
| Tin, deliveries U. S.<br>(long tons)       | 5,290         | 3,575         | + 48.0          | 4,615         | + 14.6          |
| Zinc, shipments (tons)                     | 32,241        | 26,966        | + 19.6          | 29,393        | + 9.7           |
|  | June,<br>1935 | June,<br>1934 | Ch'ge<br>P. Ct. | May,<br>1935  | Ch'ge<br>P. Ct. |
| Anthracite, ship. (tons)                   | 4,878,738     | 3,495,223     | + 39.6          | 4,346,863     | + 12.2          |
| Babbit met., sales (lbs.)                  | 1,565,323     | 1,618,615     | - 3.3           | 1,806,268     | - 13.3          |
| Carloading (cars)                          | 2,582,800     | 2,710,100     | - 4.7           | 2,589,600     | - 0.8           |
| Cement, ship. (bbls.)                      | 7,624,000     | 8,541,000     | - 10.7          | 7,428,000     | + 2.6           |
| Coal, anth. and bit., ind.<br>cons. (tons) | 21,047,000    | 21,895,000    | - 3.9           | 22,606,000    | - 6.9           |
| Cotton cons. (bales)                       | 385,946       | 363,262       | + 6.2           | 469,250       | - 17.8          |
| Gasoline cons. (bbls.)                     | 37,884,000    | 36,296,000    | + 4.4           | 39,089,000    | - 3.1           |
| Lead, refined (tons)                       | 26,978        | 28,276        | - 4.6           | 32,341        | - 16.6          |
| Malleable castings (tons)                  | 31,905        | 31,607        | + 0.9           | 37,573        | - 15.1          |

## SHIPMENTS AND CONSUMPTION (Continued)

|   | June,<br>1935 | June,<br>1934 | Ch'ge<br>P. Ct. | May,<br>1935 | Ch'ge<br>P. Ct. |
|---|---------------|---------------|-----------------|--------------|-----------------|
| Newsprint, U. S. & Can-<br>ada (tons)       | 305,181       | 305,302       | - 0.1           | 335,998      | - 9.2           |
| Oil-burners (no.)                           | 10,556        | 6,047         | + 74.6          | 9,984        | + 5.7           |
| Paints and var., sales (\$)                 | 32,509,813    | 28,154,013    | + 15.5          | 36,343,687   | - 10.5          |
| Petroleum, crude, runs-<br>to-still (bbls.) | 81,724,000    | 76,054,000    | + 7.5           | 80,412,000   | + 1.6           |
| Pneumatic casings                           | 4,007,386     | 5,331,690     | - 23.7          | 5,143,590    | - 20.9          |
| Prep. roofing (squares)                     | 2,212,765     | 1,325,974     | + 66.9          | 2,881,532    | - 23.2          |
| Range boilers (no.)                         | 85,574        | 33,180        | + 157.9         | 60,378       | + 41.7          |
| Rubber, cr. cons. (tons)                    | 36,623        | 40,147        | - 8.8           | 41,568       | - 11.9          |
| Steel barrels                               | 501,730       | 696,349       | - 27.9          | 554,102      | - 9.5           |
| Steel sheets, ship. (short<br>tons)         | 160,812       | 301,832       | - 46.7          | 186,971      | - 14.0          |
| Sulph. acid, cons. (tons)                   | 75,690        | 80,214        | - 5.6           | 87,944       | - 13.9          |
| Waste paper (consump.)<br>(tons)            | 213,523       | 207,476       | + 2.9           | 219,767      | - 2.8           |
| Wool consump. (lbs.)                        | 73,500,000    | 26,213,000    | + 180.4         | 64,600,000   | + 13.8          |

§ May and corresponding months.

## STOCKS ON HAND AT END OF MONTH

|  | July,<br>1935 | July,<br>1934 | Ch'ge<br>P. Ct. | June,<br>1935 | Ch'ge<br>P. Ct. |
|--|---------------|---------------|-----------------|---------------|-----------------|
| Silk, raw (bales)                            | 32,654        | 66,268        | - 50.7          | 42,018        | - 22.3          |
| Tin, world's visible sup-<br>ply (long tons) | 13,162        | 16,313        | - 19.3          | 14,275        | - 7.8           |
| Zinc (tons)                                  | 116,723       | 97,462        | + 18.7          | 112,900       | + 2.5           |
|  | June,<br>1935 | June,<br>1934 | Ch'ge<br>P. Ct. | May,<br>1935  | Ch'ge<br>P. Ct. |
| Bathroom access. (pcs.)                      |               |               |                 |               |                 |
| Vitreous clay                                | 309,126       | 308,191       | + 0.3           | 309,645       | - 0.2           |
| Non-vitreous clay                            | 61,054        | 75,366        | - 19.0          | 60,943        | + 0.2           |
| Cement (bbls.)                               | 23,098,000    | 21,600,000    | + 6.9           | 21,991,000    | + 5.0           |
| Coal, anth. and bit., ind.<br>stocks (tons)  | 39,853,000    | 29,338,000    | + 35.8          | 34,881,000    | + 14.3          |
| Coke, by-product (tons)                      | 2,786,578     | 2,047,142     | + 36.1          | 2,790,706     | - 0.1           |
| Cotton, ex. lint. (bales)                    |               |               |                 |               |                 |
| In mfg. plants                               | 882,947       | 1,326,089     | - 33.4          | 979,130       | - 9.8           |
| In warehouses                                | 6,077,634     | 5,984,839     | + 1.5           | 6,560,247     | - 7.4           |
| Gasoline at ref. (bbls.)                     | 32,499,000    | 33,885,000    | - 4.1           | 34,725,000    | - 6.4           |
| Lead, refined (tons)                         | 231,077       | 238,181       | - 3.0           | 225,057       | + 2.7           |
| Newsprint, U. S. & Can-<br>ada (tons)        | 74,267        | 70,910        | + 4.7           | 71,314        | + 4.1           |
| Oil-burners (no.)                            | 14,206        | 18,094        | - 21.5          | 14,025        | + 1.3           |
| Petroleum, crude, excl.<br>Calif. (bbls.)    | 294,314,000   | 315,051,000   | - 6.6           | 298,240,000   | - 1.3           |
| Porcelain plumbing fix-<br>tures (pieces)    | 10,600        | 10,981        | - 3.5           | 10,688        | - 0.8           |
| Pneumatic casings                            | 11,130,764    | 11,126,587    | + 0.1           | 11,003,237    | + 1.2           |
| Range boilers (no.)                          | 32,201        | 34,902        | - 7.7           | 29,458        | + 9.3           |
| Rubber, U. S. & Abroad<br>(long tons)        | 376,051       | 405,150       | - 7.2           | 363,656       | + 3.4           |
| Steel barrels                                | 33,470        | 44,672        | - 25.1          | 30,270        | + 10.6          |
| Steel sheets (sh. tons)                      | 126,531       | 106,950       | + 18.3          | 124,442       | + 1.7           |
| Sulphuric acid (tons)                        | 97,901        | 92,721        | + 5.6           | 97,665        | + 0.2           |
| Waste paper (tons)                           | 263,229       | 237,506       | + 10.7          | 256,000       | + 2.8           |

§ May and corresponding months.

## GOVERNMENT STATISTICS

|                              | June 30, 1935  | June 30, 1934  | May 31, 1935   |
|------------------------------|----------------|----------------|----------------|
| Money in circul., U. S. (\$) | 5,568,099,785  | 5,373,469,752  | 5,539,536,286  |
| Population                   | 127,157,000    | 126,425,000    | 127,096,000    |
| Per capita (\$)              | 43.79          | 42.50          | 43.59          |
| Gen. stock money, U. S. (\$) | 15,114,041,981 | 13,634,380,567 | 14,811,767,191 |
|                              | July 31, 1935  | July 31, 1934  | June 30, 1935  |
| Debt, gross, U. S. (\$)      | 29,119,769,527 | 27,189,245,813 | 28,700,892,624 |
|                              | July, 1935     | July, 1934     | June, 1935     |
| United States:               |                |                |                |
| Receipts, ordinary (\$)      | 278,908,944    | 218,188,802    | 463,733,361    |
| Expenditures, ord. (\$)      | 380,149,350    | 230,394,992    | 480,602,420    |
| Expenditures, emerg. (\$)    | 347,385,728    | 235,878,916    | 425,017,610    |

## MONTHLY INDEX NUMBERS

Price Index Numbers (Wholesale)

|                            | Base<br>Year 1935 | Aug. 1,<br>1935 | July 1,<br>1935 | June 1,<br>1935       | Same<br>month<br>1934 |
|----------------------------|-------------------|-----------------|-----------------|-----------------------|-----------------------|
| DUN'S                      |                   | \$171.511       | \$171.046       | \$174.314             | \$167.912             |
| BRADSTREET'S               |                   | \$9.9185        | \$9.8416        | \$9.9070              | \$9.3216              |
| U. S. Bureau of Labor †    |                   | 1926            | 79.8            | 80.2                  | 74.6                  |
| Annalist ‡                 |                   | 1913            | 123.6           | 123.2                 | 114.4                 |
| Canada (Dom. Bureau) §     |                   | 1926            | 71.3            | 72.3                  | 72.5                  |
|                            | June,<br>1935     | May,<br>1935    | Apr.,<br>1935   | Same<br>month<br>1934 |                       |
| U. K. (Board of Trade)     | 1930              | 88.4            | 88.2            | 87.5                  | 87.9                  |
| U. K. (Economist)          | 1913              | 93.7            | 94.3            | 91.8                  | 89.9                  |
| U. K. (Statist)            | 1913              | 98.5            | 100.2           | 98.9                  | 94.9                  |
| France (Stat. Gen.)        | 1913              | 330             | 340             | 336                   | 379                   |
| Italy (Bachi)              | 1913              |                 | 302.3           | 296.1                 | 272.6                 |
| Germany (Official)         | 1913              |                 | 100.6           | 100.8                 | 96.2                  |
| Belgium                    | 1914              | 555             | 552             | 531                   | 472                   |
| Denmark (Official)         | 1913              | 130             | 131             | 132                   | 128                   |
| Norway                     | 1913              | 126             | 125             | 125                   | 123                   |
| Sweden                     | 1913              | 116             | 115             | 115                   | 114                   |
| Holland                    | 1913              | 75              | 75              | 76                    | 76                    |
| Japan (Oriental Economist) | 1913              | 168.6           | 173.3           | 174.6                 | 162.7                 |
| China (Shanghai)           | 1926              | 92.1            | 95.0            | 95.9                  | 95.7                  |

† Average over previous month.

# JULY BUILDING PERMIT VALUES BY CITIES

THE detailed report of building permit values by cities for July, 1935 and 1934, and for June, 1935, as reported to Dun & Bradstreet, Inc., follows:

|                              | July,<br>1935 | July,<br>1934 | June,<br>1935 | Mid. Atlantic<br>(Cont.) | July,<br>1935 | July,<br>1934 | June,<br>1935 | South Central             | July,<br>1935 | July,<br>1934 | June,<br>1935 |
|------------------------------|---------------|---------------|---------------|--------------------------|---------------|---------------|---------------|---------------------------|---------------|---------------|---------------|
| <b>New England</b>           |               |               |               | New Brunswick            | \$12,195      | \$7,605       | \$37,795      | Abilene                   | \$16,395      | \$8,275       | \$6,630       |
| Boston                       | \$493,370     | \$2,068,674   | \$849,650     | New Rochelle             | 131,230       | 84,178        | 23,323        | Amarillo                  | 32,738        | 22,324        | 22,903        |
| Bridgeport                   | 203,372       | 39,980        | 114,514       | Niagara Falls            | 81,711        | 122,105       | 80,423        | Austin                    | 252,236       | 94,427        | 319,460       |
| Brookton                     | 22,820        | 30,120        | 25,063        | Philadelphia             | 1,017,770     | 656,160       | 829,080       | Beaumont                  | 41,191        | 39,254        | 43,261        |
| Burlington, Vt.              | 8,343         | 28,775        | 10,425        | Pittsburgh               | 836,205       | 174,760       | 373,155       | Birmingham                | 216,067       | 74,272        | 93,518        |
| Cambridge                    | 143,002       | 199,458       | 128,026       | Poughkeepsie             | 35,650        | 54,325        | 1,900         | Chattanooga               | 104,290       | 42,516        | 51,706        |
| Chelsea                      | 8,835         | 13,700        | 6,718         | Rending                  | 15,235        | 29,920        | 45,405        | Dallas                    | 345,454       | 155,394       | 272,539       |
| Everett                      | 14,953        | 60,750        | 1,680         | Rochester                | 170,991       | 112,887       | 272,131       | El Paso                   | 22,187        | 13,085        | 96,296        |
| Fall River                   | 7,699         | 6,054         | 12,079        | Schenectady              | 82,015        | 104,803       | 52,244        | Fort Smith                | 13,933        | 9,653         | 13,995        |
| Fitchburg                    | 16,905        | 157,020       | 15,486        | Seranton                 | 65,309        | 85,396        | 30,175        | Fort Worth                | 222,100       | 56,308        | 192,700       |
| Greenwich                    | 94,850        | 78,925        | 125,275       | Syracuse                 | 73,850        | 232,795       | 703,085       | Galveston                 | 39,592        | 37,210        | 27,958        |
| Hartford                     | 190,014       | 140,669       | 135,656       | Troy                     | 107,850       | 12,225        | 196,610       | Houston                   | 597,315       | 259,395       | 551,115       |
| Haverhill                    | 19,265        | 8,655         | 33,215        | Utica                    | 32,573        | 21,150        | 21,180        | Jackson                   | 92,700        | 44,832        | 82,275        |
| Holyoke                      | 37,000        | 34,150        | 55,675        | Watertown                | 10,324        | 10,249        | 38,484        | Knoxville                 | 57,483        | 60,116        | 84,736        |
| Lawrence                     | 39,997        | 13,615        | 31,500        | White Plains             | 65,325        | 20,305        | 34,160        | Little Rock               | 45,386        | 21,728        | 89,448        |
| Lowell                       | 56,434        | 29,650        | 14,760        | Wilkes-Barre             | 94,779        | 49,452        | 35,682        | Memphis                   | 241,800       | 83,720        | 200,330       |
| Lynn                         | 19,251        | 24,733        | 261,647       | Williamport              | 27,531        | 12,851        | 38,451        | Mobile                    | 35,225        | 43,786        | 23,020        |
| Manchester                   | 34,850        | 27,183        | 33,560        | Wilmington               | 208,330       | 131,280       | 150,219       | Montgomery                | 465,671       | 47,092        | 62,785        |
| Medford                      | 20,335        | 17,355        | 16,390        | Yonkers                  | 268,905       | 71,360        | 272,160       | Muskogee                  | 2,060         | 1,010         | 8,805         |
| New Bedford                  | 41,025        | 37,650        | 36,200        | York                     | 57,401        | 25,633        | 82,722        | Nashville                 | 355,633       | 197,396       | 220,336       |
| New Britain                  | 198,653       | 18,663        | 78,071        | <b>Total</b>             | \$16,405,334  | \$12,327,202  | \$18,040,079  | New Orleans               | 198,153       | 228,516       | 1,618,062     |
| New Haven                    | 253,172       | 1,450,847     | 115,635       | <b>South Atlantic</b>    |               |               |               | Oklahoma City             | 263,010       | 288,806       | 255,875       |
| Newton                       | 202,694       | 144,575       | 260,870       | Asheville                | \$15,308      | \$18,603      | \$11,470      | Port Arthur               | 53,220        | 15,948        | 89,616        |
| Norwalk                      | 72,815        | 32,375        | 63,840        | Atlanta                  | 219,307       | 104,987       | 257,714       | San Angelo                | 14,000        | 3,546         | 14,370        |
| Portland, Me.                | 22,733        | 11,373        | 31,818        | Augusta                  | 103,676       | 34,040        | 25,360        | San Antonio               | 152,222       | 53,358        | 119,660       |
| Providence                   | 177,850       | 213,600       | 342,550       | Baltimore                | 794,280       | 678,120       | 837,840       | Shreveport                | 78,327        | 130,607       | 118,804       |
| Quincy, Mass.                | 40,080        | 31,632        | 353,045       | Charleston, S. O.        | 40,325        | 48,907        | 34,480        | Tulsa                     | 171,986       | 46,167        | 178,288       |
| Salem                        | 37,960        | 38,450        | 28,790        | Charlotte                | 73,342        | 85,538        | 238,347       | Waco                      | 35,013        | 14,939        | 24,080        |
| Somerville                   | 18,110        | 5,925         | 55,985        | Coral Gables             | 75,725        | 22,145        | 43,975        | Wichita Falls             | 38,715        | 29,321        | 13,327        |
| Spr'field, Mass.             | 71,865        | 84,151        | 53,040        | Greensboro               | 64,398        | 31,497        | 268,815       | <b>Total</b>              | \$4,184,102   | \$2,062,951   | \$4,895,773   |
| Stamford                     | 39,935        | 30,405        | 47,845        | Greenville               | 23,730        | 15,275        | 30,775        | <b>West Central</b>       |               |               |               |
| Waterbury                    | 62,055        | 33,175        | 34,650        | Jack'ville, Fla.         | 360,240       | 155,625       | 204,735       | Cedar Rapids              | \$100,002     | \$47,685      | \$148,805     |
| West Hartford                | 248,996       | 105,172       | 558,442       | Miami                    | 52,003        | 7,535         | 53,972        | Davenport                 | 45,646        | 21,000        | 37,227        |
| Worcester                    | 132,377       | 109,678       | 142,992       | Macon                    | 60,909        | 48,288        | 31,405        | Des Moines                | 303,965       | 106,130       | 159,170       |
| <b>Total</b>                 | \$3,046,615   | \$5,327,137   | \$4,075,092   | Miami Beach              | 1,028,138     | 451,050       | 1,009,262     | Dubuque                   | 17,708        | 8,120         | 11,000        |
| <b>Middle Atlantic</b>       |               |               |               | Norfolk                  | 154,400       | 51,492        | 93,435        | Duluth                    | 92,121        | 68,918        | 64,254        |
| Manhattan 1.                 | \$3,739,425   | \$397,875     | \$1,639,145   | Richmond                 | 200,762       | 140,185       | 177,176       | Fargo                     | 41,409        | 12,675        | 35,550        |
| Manhattan 2.                 | 2,356,635     | 2,199,680     | 1,443,790     | Roanoke                  | 58,923        | 7,727         | 66,618        | Kansas C., Kan.           | 1,704,238     | 63,625        | 18,829        |
| Bronx 1.                     | 1,260,775     | 1,575,050     | 1,720,205     | Savannah                 | 28,810        | 18,835        | 34,272        | Kansas C., Mo.            | 609,400       | 285,500       | 345,000       |
| Bronx 2.                     | 390,887       | 304,620       | 305,743       | Tampa                    | 286,145       | 49,886        | 26,961        | Lincoln                   | 259,262       | 123,347       | 71,923        |
| Brooklyn 1.                  | 1,069,005     | 1,021,510     | 1,973,695     | Wash'ton, D. C.          | 2,019,050     | 875,390       | 2,037,355     | Minneapolis               | 447,015       | 138,920       | 326,160       |
| Brooklyn 2.                  | 642,845       | 838,091       | 654,855       | Winston-Salem            | 105,070       | 24,315        | 79,546        | Omaha                     | 137,352       | 65,470        | 189,857       |
| Queens 1.                    | 1,126,993     | 896,905       | 3,972,155     | <b>Total</b>             | \$6,243,688   | \$3,079,583   | \$6,024,142   | St. Joseph                | 22,360        | 6,680         | 37,600        |
| Queens 2.                    | 421,323       | 470,891       | 470,969       | <b>East Central</b>      |               |               |               | St. Louis                 | 619,518       | 286,534       | 609,895       |
| Richmond 1.                  | 151,545       | 84,798        | 294,445       | Akron                    | \$215,555     | \$79,442      | \$117,357     | St. Paul                  | 345,039       | 220,368       | 369,162       |
| Richmond 2.                  | 54,180        | 83,465        | 601,669       | Bay City                 | 56,210        | 21,920        | 109,712       | St. Paul                  | 35,600        | 143,514       | 56,197        |
| <b>Total</b>                 | \$11,213,613  | \$7,908,885   | \$13,076,671  | Berwyn                   | 7,745         | 2,800         | 14,490        | St. Paul                  | 43,770        | 7,535         | 50,440        |
| 1. New Work. 2. Alterations. |               |               |               | Bluefield                | 7,100         | 8,165         | 15,490        | Topeka                    | 116,700       | 20,350        | 2,525         |
| Albany                       | \$140,385     | \$206,534     | \$236,911     | Canton                   | 26,198        | 56,440        | 46,385        | Wichita                   | 119,576       | 67,765        | 96,319        |
| Allentown                    | 46,250        | 21,870        | 7,095         | Chicago                  | 1,294,990     | 1,385,965     | 741,850       | <b>Total</b>              | \$5,060,681   | \$1,693,936   | \$2,635,916   |
| Altosna                      | 55,477        | 16,154        | 11,354        | Cincinnati               | 1,104,730     | 352,040       | 1,207,315     | <b>Mountain</b>           |               |               |               |
| Atlantic City                | 45,930        | 93,776        | 68,670        | Clarksburg               | 4,284         | 1,225         | 50,770        | Billings                  | \$48,825      | \$86,775      | \$71,775      |
| Auburn                       | 6,010         | 25,900        | 25,280        | Cleveland                | 326,700       | 307,100       | 369,800       | Boise                     | 70,039        | 22,575        | 105,991       |
| Bayonne                      | 43,130        | 28,687        | 24,696        | Columbus                 | 164,700       | 74,400        | 128,900       | Butte                     | 11,175        | 1,079         | 5,020         |
| Binghamton                   | 182,998       | 66,345        | 153,173       | Dayton                   | 89,611        | 48,917        | 146,865       | Colorado Sp'gs.           | 31,470        | 415,479       | 26,645        |
| Buffalo                      | 376,790       | 706,660       | 333,577       | Detroit                  | 2,061,161     | 829,086       | 1,696,023     | Denver                    | 425,214       | 230,000       | 459,751       |
| Camden                       | 28,712        | 66,460        | 30,676        | East St. Louis           | 94,168        | 44,685        | 23,286        | Great Falls               | 29,545        | 9,880         | 43,930        |
| East Orange                  | 55,885        | 52,700        | 83,308        | Evanston                 | 52,759        | 21,750        | 101,750       | Ogden                     | 129,565       | 6,681         | 51,173        |
| Elizabeth                    | 69,765        | 13,544        | 53,545        | Evansville               | 179,934       | 70,942        | 88,712        | Phoenix                   | 120,559       | 37,270        | 57,334        |
| Elmira                       | 9,365         | 12,470        | 11,142        | Flint                    | 137,683       | 50,072        | 122,273       | Pueblo                    | 10,294        | 49,231        | 11,707        |
| Erle                         | 177,622       | 10,800        | 58,620        | Fort Wayne               | 98,804        | 31,130        | 140,642       | Salt Lake City            | 449,750       | 42,000        | 149,827       |
| Harrisburg                   | 29,375        | 7,550         | 191,805       | Gary                     | 54,417        | 14,195        | 55,619        | Tucson                    | 420,232       | 101,563       | 86,585        |
| Jamestown                    | 175,605       | 11,050        | 13,451        | Grand Rapids             | 40,105        | 35,150        | 50,300        | <b>Total</b>              | \$1,697,843   | \$915,738     | \$907,913     |
| Jersey City                  | 36,021        | 90,011        | 28,608        | Green Bay                | 124,415       | 21,245        | 115,425       | * Not included in totals. |               |               |               |
| Lancaster                    | 31,122        | 59,910        | 20,235        | Hammond                  | 721,129       | 14,308        | 132,072       | <b>Pacific</b>            |               |               |               |
| Mount Vernon                 | 40,175        | 56,685        | 60,910        | Huntington               | 94,000        | 6,780         | 21,535        | Bakersfield               | \$99,415      | \$27,135      | \$57,485      |
| Newark, N. J.                | 245,925       | 840,952       | 236,968       | Indianapolis             | 274,239       | 214,213       | 235,647       | Berkeley                  | 125,262       | 64,771        | 97,536        |
|                              |               |               |               | Lansing                  | 83,415        | 28,880        | 239,585       | Beverly Hills             | 115,420       | 208,155       | 214,150       |
|                              |               |               |               | Lima                     | 5,290         | 12,450        | 2,658         | Pesno                     | 76,332        | 86,257        | 99,128        |
|                              |               |               |               | Louisville               | 422,552       | 246,378       | 259,179       | Glendale                  | 202,586       | 87,535        | 115,765       |
|                              |               |               |               | Madison                  | 159,220       | 28,888        | 124,075       | Long Beach                | 585,648       | 188,533       | 565,980       |
|                              |               |               |               | Milwaukee                | 641,580       | 496,112       | 601,104       | Los Angeles               | 2,848,434     | 1,310,398     | 2,004,915     |
|                              |               |               |               | Newark, O.               | 11,175        | 1,195         | 11,150        | Oakland                   | 1,348,924     | 203,562       | 2,705,282     |
|                              |               |               |               | Oak Park                 | 187,560       | 5,350         | 63,790        | Pasadena                  | 248,240       | 178,550       | 288,902       |
|                              |               |               |               | Peoria                   | 44,071        | 26,880        | 311,061       | Portland, Ore.            | 226,030       | 138,080       | 268,796       |
|                              |               |               |               | Pontiac                  | 302,030       | 11,730        | 19,920        | Sacramento                | 331,878       | 177,603       | 358,424       |
|                              |               |               |               | Quincy, Ill.             | 12,550        | 1,060         | 164,500       | San Diego                 | 613,819       | 288,028       | 504,726       |
|                              |               |               |               | Racine                   | 8,063         | 24,175        | 134,595       | San Jose                  | 184,885       | 21,525        | 56,635        |
|                              |               |               |               | Rockford                 | 29,370        | 16,850        | 24,335        | Seattle                   | 167,045       | 113,850       | 201,995       |
|                              |               |               |               | Saginaw                  | 225,164       | 14,264        | 90,494        | Spokane                   | 226,190       | 25,795        | 119,805       |
|                              |               |               |               | South Bend               | 83,390        | 24,025        | 110,355       | Stockton                  | 72,164        | 109,919       | 100,632       |
|                              |               |               |               | Springfield, Ill.        | 38,260        | 38,710        | 42,615        | Tacoma                    | 56,170        | 48,307        | 30,095        |
|                              |               |               |               | Springfield, O.          | 44,470        | 25,903        | 34,814        | <b>Total</b>              | \$7,664,181   | \$3,381,576   | \$7,886,643   |
|                              |               |               |               | Superior                 | 15,681        | 4,930         | 31,997        | Total U. S.               | \$54,191,787  | \$33,899,650  | \$52,672,791  |
|                              |               |               |               | Terre Haute              | 62,890        | 87,739        | 55,239        | New York City             | \$11,213,613  | \$7,908,885   | \$13,076,671  |
|                              |               |               |               | Toledo                   | 85,175        | 261,392       | 62,820        | Outside N. Y. C.          | \$42,978,174  | \$25,990,765  | \$39,596,123  |
|                              |               |               |               | Waukegan                 | 35,170        | 1,790         | 11,847        |                           |               |               |               |
|                              |               |               |               | Wheeling                 | 43,192        | 11,775        | 46,284        |                           |               |               |               |
|                              |               |               |               | Youngstown               | 91,464        | 46,461        | 46,284        |                           |               |               |               |
|                              |               |               |               | Zanesville               | 17,085        | 2,550         | 14,290        |                           |               |               |               |
| <b>Total</b>                 | \$9,889,343   | \$5,111,437   | \$8,117,236   |                          |               |               |               |                           |               |               |               |



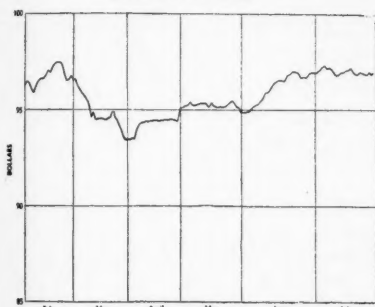
# SECURITY VALUES AT NEW HIGH FOR YEAR

by GEORGE RAMBLES

**R**APID progress toward healthy conditions in the New York securities markets again was in evidence throughout July. For the fourth successive month prices of stocks improved. The movement was quite pronounced and clearly resulted from a gain in confidence and an improvement in business conditions that took in almost all major industries.

Occasional periods of liquidation developed, but the realizing sales were absorbed readily in all instances, and only temporary interruptions thus were noted in the upward trend. Hundreds of issues attained their highest levels of the year, and in many instances the best figures since 1931 were reached.

BOND PRICES \*



(\*) Based on statistics compiled by Dow, Jones & Co., publishers of "The Wall Street Journal." The sharp price gains of the month preceding were well maintained during July, with senior issues selling under par value unusually strong in demand.

The upward tendency was accompanied by a broadening of the market. The number of equities traded on the New York Stock Exchange was large at all times, while transactions exceeded 1,000,000 shares on fifteen days.

Total stock transactions for the month were 29,429,387 shares, against 22,339,512 in the preceding month and 21,115,884 in the same month of last year. The activity during July was due rather to a

continuous interest on the part of the investing public than to a few days of exceptional activity, and in this sense also the performance was noteworthy.

In the listed bond market the trend was equally satisfactory. High-grade bonds of all descriptions were well maintained, indicating that there was no rush from senior securities into equities because of fears of currency tinkering.

Senior issues that are selling under par value were in demand at almost all times, apparently on the assumption that business improvement will make them worth more nearly par value. Bond transactions for the month totalled \$233,000,000, par value, against \$264,000,000 in July, last year.

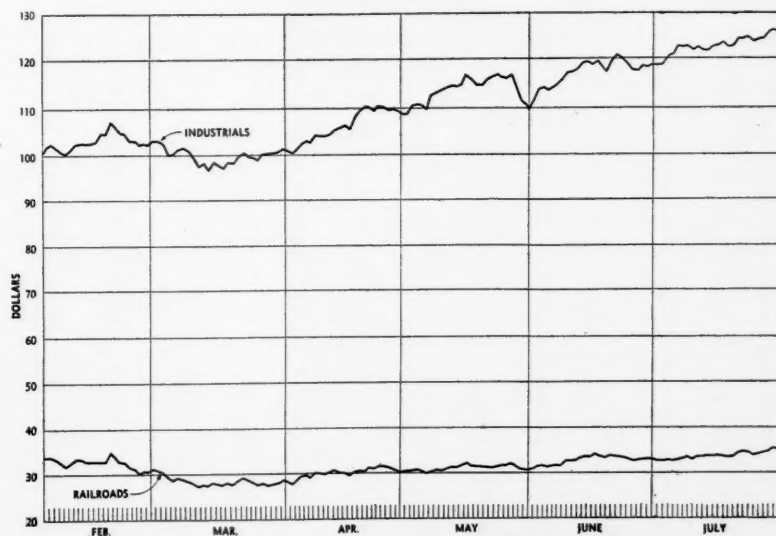
One of the most encouraging developments of the month was an unusually large aggregate of new and refunding bond and stock issues. Capital flotations during

July amounted to no less than \$531,000,000, and in this respect the month was the most active since March, 1931. All classes of borrowers were represented, but public utility financing was by far the most prominent, while railroad issues barely appeared.

Idle investment funds were at virtually record levels, with excess reserves of member banks amounting to \$2,510,000,000 at the end of the month, and all sound flotations were absorbed readily. There were no indications of congestion in the capital market.

Steel and motor stocks were in good demand during a majority of the sessions. Profit-taking invariably brought new investors into the market, and substantial net advances were scored in such issues. Railroad shares were dull during the first half of July, but improved subsequently, on the prospect of Federal legislation for regulation of truck and bus transportation.

STOCK PRICES \*



(\*) Based on statistics compiled by Dow, Jones & Co., publishers of "The Wall Street Journal." For the fourth successive month the trend of stock prices was upward, with many issues reaching the highest level since 1931. Industrials advanced uninterruptedly, but rails held steady until middle of July.

# INTERNATIONAL MONEY MARKETS

**A**LTHOUGH international currency confusion continues without abatement, there is at least some reason for believing that the world's web of business and financial relationships is being patched together as rapidly as conditions will permit. In many directions improvement is noted in foreign trade, and business men are making ever more emphatic their demand for currency stability, so that greater advances can be made. In the financial sphere it is noteworthy that the Canadian Government has decided to file a registration statement at Washington and resume borrowing in the United States market.

But the indications of confidence in a few currency relationships still are outweighed by the unsettlement evident with regard to the gold currencies of Europe. During July new incidents of a perturbing nature arose. The Netherlands guilder was subjected to pressure on the development of a political and financial crisis in

Holland which was not unlike that which afflicted France late in May.

Uncertainty also was introduced in July regarding several so-called gold exchange standard currencies, and it is evident that new difficulties impend. All signs point to the coming Autumn as an exceedingly trying period, so far as the international money markets are concerned.

## European Situation Confused

The newest crisis in the Netherlands developed in mid-July, when Premier Hendryk Colijn proposed a curtailment of 70,000,000 guilders in Government expenditures, to the end that the budget might be balanced and the guilder safeguarded.

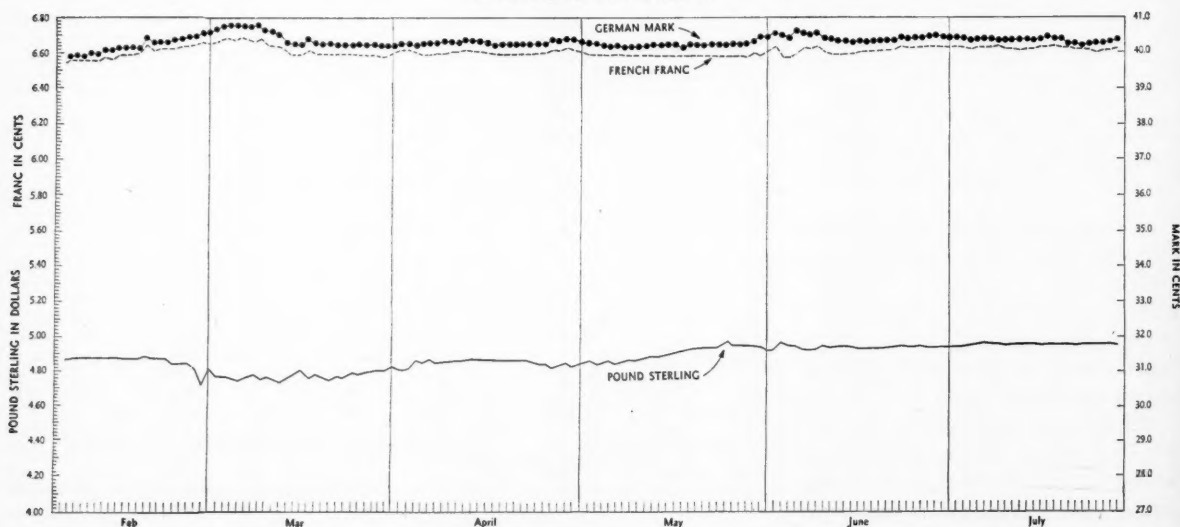
Premier Colijn is noted for his sound money views and his determination to prevent devaluation in the Netherlands, and his resignation prompted a large capital flight and speculative operations against the guilder. That unit dropped instantly to the point where gold exports were found

necessary to protect the currency, and in the period of one week Holland lost 130,800,000 guilders in gold, or about one-fifth of the available stocks.

Efforts by others to form a Cabinet were fruitless, and Premier Colijn was recalled. He decided, however, to postpone until September consideration of the budgetary curtailment, and the net result of the incident thus far is a weakening of Holland's ability to resist new depredations by speculators and frightened capitalists.

In France, energetic action was taken July 16 by Premier Pierre Laval to meet the danger of a large and continued Government deficit, but here also the day of reckoning appears only to have been postponed. Acting under the decree powers granted to him by a reluctant Parliament, M. Laval ordered extraordinary measures, which include a 10 per cent reduction in the interest payable on French Government internal obligations, lower salaries for civil employees

THE DOLLAR ABROAD



Stability was maintained through July in the foreign exchange markets, in the direct and indirect relationships of the United States dollar, the pound sterling, and the French franc. The guilder fell to the gold export level when the crisis developed, but recovered quickly. Italian lire receded; marks were steady.

and higher taxes on relatively wealthy individuals.

By these and other means it is hoped to cover the national deficit of about 11,000,000,000 francs. Whether these measures will prove acceptable to the French people and their parliamentary representatives will not be known definitely until October, when the Chamber and Senate will reassemble and M. Laval will have to answer for his decrees.

Also indicative of the chaotic international monetary position is the mounting pressure to which the Italian lira has been subjected

as a consequence of preparations for a possible conflict with Ethiopia. Imports of war materials by Italy have increased rapidly, and for some time the means of payment were found in the supplies of foreign exchange and external credits of Italian citizens which were requisitioned some months ago.

Another step in the exchange crisis was taken July 22, when a decree was issued permitting the Bank of Italy to disregard the requirement for a 40 per cent gold cover against note liabilities. It is anticipated now that the slender

gold stocks of Italy will be utilized to pay for necessary imports.

In the foreign exchange markets, stability was maintained throughout July in the direct and indirect relationships of the United States dollar, the pound sterling and the French franc. The guilder fell to the gold export level when the crisis developed in Holland, but speedily recovered. Italian lire receded, and various quotations at discounts were established for lira utilizable in different ways. Silver was steady and the units dependent on that metal also held well.

# DAILY CLOSING QUOTATIONS OF FOREIGN EXCHANGE (BANKERS' BILLS) IN THE NEW YORK MARKET DURING JULY, 1935

| Country and Par                            | Mon. July 1 | Tues. July 2 | Wed. July 3 | Thurs. July 4 | Fri. July 5 | Sat. July 6 | Mon. July 8 | Tues. July 9 | Wed. July 10 | Thurs. July 11 | Fri. July 12 | Sat. July 13 | Mon. July 15 | Tues. July 16 |
|--|-------------|--------------|-------------|---------------|-------------|-------------|-------------|--------------|--------------|----------------|--------------|--------------|--------------|---------------|
| England, checks (Pound \$8.2397).....      | 4.94%       | 4.94         | 4.94%       | 4.94%         | 4.95        | 4.96        | 4.97        | 4.96%        | 4.96%        | 4.96           | 4.95%        | 4.96%        | 4.96%        | 4.96%         |
| England, cables (Pound \$8.2397).....      | 4.94%       | 4.94         | 4.94%       | 4.94%         | 4.95        | 4.96        | 4.97        | 4.96%        | 4.96%        | 4.96           | 4.95%        | 4.96%        | 4.96%        | 4.96%         |
| France, checks (Franc 6.6335c).....        | 6.63%       | 6.63%        | 6.63%       | 6.63%         | 6.62%       | 6.63        | 6.63%       | 6.63%        | 6.62%        | 6.62%          | 6.61%        | 6.62%        | 6.62%        | 6.63%         |
| France, cables (Franc 6.6335c).....        | 6.63%       | 6.64         | 6.63%       | 6.63%         | 6.62%       | 6.63        | 6.63%       | 6.63%        | 6.62%        | 6.62%          | 6.61%        | 6.62%        | 6.62%        | 6.63%         |
| Germany, checks (Mark 40.33c).....         | 40.46       | 40.46        | 40.42       | 40.33         | 40.33       | 40.39       | 40.42       | 40.40        | 40.33        | 40.34          | 40.34        | 40.37        | 40.38        | 40.39         |
| Germany, cables (Mark 40.33c).....         | 40.48       | 40.48        | 40.44       | 40.35         | 40.41       | 40.44       | 40.42       | 40.35        | 40.36        | 40.36          | 40.36        | 40.39        | 40.40        | 40.41         |
| Belgium, checks (Belga 16.95c).....        | 16.93%      | 16.92%       | 16.92%      | 16.89%        | 16.90%      | 16.92       | 16.91%      | 16.89%       | 16.88%       | 16.89%         | 16.90%       | 16.94%       | 16.94%       | 16.90%        |
| Belgium, cables (Belga 16.95c).....        | 16.94       | 16.93%       | 16.93       | 16.89%        | 16.91       | 16.92%      | 16.92       | 16.90        | 16.89        | 16.91          | 16.91        | 16.95        | 16.95        | 16.91         |
| Holland, checks (Guilder 68.056c).....     | 68.29       | 68.30        | 68.23       | 68.14         | 68.21       | 68.23       | 68.22       | 68.12        | 68.13        | 68.14          | 68.23        | 68.20        | 68.20        | 68.18         |
| Holland, cables (Guilder 68.056c).....     | 68.33       | 68.34        | 68.27       | 68.18         | 68.25       | 68.27       | 68.26       | 68.16        | 68.17        | 68.18          | 68.27        | 68.24        | 68.24        | 68.22         |
| Czechoslovakia, checks (Crown 4.18c).....  | 4.19%       | 4.19         | 4.19        | 4.18%         | 4.18%       | 4.19        | 4.19%       | 4.18%        | 4.18%        | 4.18           | 4.17%        | 4.18%        | 4.18%        | 4.18          |
| Czechoslovakia, cables (Crown 4.18c).....  | 4.19%       | 4.19%        | 4.19        | 4.18%         | 4.19        | 4.19%       | 4.19%       | 4.18%        | 4.18%        | 4.18           | 4.17%        | 4.18%        | 4.18%        | 4.18          |
| Switzerland, checks (Franc 32.67c).....    | 32.83%      | 32.84%       | 32.81       | 32.75%        | 32.79       | 32.81%      | 32.84%      | 32.79%       | 32.77%       | 32.74%         | 32.78        | 32.81        | 32.79        | 32.79%        |
| Switzerland, cables (Franc 32.67c).....    | 32.83%      | 32.85        | 32.81%      | 32.76         | 32.79%      | 32.82       | 32.85       | 32.80        | 32.78        | 32.75          | 32.78%       | 32.81%       | 32.79%       | 32.79%        |
| Italy, checks (Lira 8.911c).....           | 8.29%       | 8.29%        | 8.29%       | 8.27%         | 8.28%       | 8.28%       | 8.26%       | 8.23%        | 8.23%        | 8.23%          | 8.23%        | 8.23         | 8.23%        | 8.24%         |
| Italy, cables (Lira 8.911c).....           | 8.30        | 8.30         | 8.29%       | 8.28          | 8.28%       | 8.27        | 8.26        | 8.24         | 8.24         | 8.24           | 8.23%        | 8.23%        | 8.23%        | 8.24%         |
| Spain, checks (Peseta 32.67c).....         | 13.75       | 13.75        | 13.74       | 13.72         | 13.73%      | 13.74%      | 13.75       | 13.74        | 13.73        | 13.73          | 13.71        | 13.72%       | 13.72%       | 13.73%        |
| Spain, cables (Peseta 32.67c).....         | 13.76       | 13.76        | 13.75       | 13.73         | 13.74%      | 13.75%      | 13.76       | 13.74        | 13.73        | 13.73          | 13.71        | 13.72%       | 13.72%       | 13.74%        |
| Portugal, checks (Escudo 7.483c).....      | 4.52        | 4.52         | 4.52        | 4.52%         | 4.53        | 4.54        | 4.54        | 4.53         | 4.53         | 4.53           | 4.53         | 4.53         | 4.53         | 4.53          |
| Portugal, cables (Escudo 7.483c).....      | 4.52        | 4.52         | 4.52        | 4.52%         | 4.53        | 4.54        | 4.54        | 4.53         | 4.53         | 4.53           | 4.53         | 4.53         | 4.53         | 4.53          |
| Denmark, checks (Krone 45.374c).....       | 22.06       | 22.06%       | 22.07       | 22.10         | 22.14       | 22.19       | 22.17       | 22.15        | 22.13        | 22.13          | 22.14%       | 22.16%       | 22.16        | 22.16         |
| Denmark, cables (Krone 45.374c).....       | 25.49       | 25.48        | 25.49       | 25.53         | 25.55       | 25.64       | 25.61       | 25.59        | 25.58        | 25.56          | 25.58        | 25.58        | 25.60        | 25.59         |
| Sweden, checks (Krona 45.374c).....        | 25.50       | 25.49        | 25.50       | 25.54         | 25.56       | 25.65       | 25.62       | 25.60        | 25.59        | 25.57          | 25.59        | 25.61        | 25.60        | 25.60         |
| Sweden, cables (Krona 45.374c).....        | 24.83       | 24.82        | 24.83       | 24.87         | 24.92       | 24.97       | 24.96       | 24.93        | 24.92        | 24.90          | 24.92        | 24.94        | 24.94        | 24.94         |
| Norway, checks (Krone 45.374c).....        | 24.84       | 24.83        | 24.84       | 24.88         | 24.93       | 24.98       | 24.97       | 24.94        | 24.93        | 24.91          | 24.93        | 24.95        | 24.95        | 24.95         |
| Norway, cables (Krone 45.374c).....        | 24.84       | 24.83        | 24.84       | 24.88         | 24.93       | 24.98       | 24.97       | 24.94        | 24.93        | 24.91          | 24.93        | 24.95        | 24.95        | 24.95         |
| Greece, checks (Drachma 2.197c).....       | .94%        | .94%         | .94%        | .94%          | .94%        | .94%        | .94%        | .94%         | .94%         | .94%           | .94%         | .94%         | .94%         | .94%          |
| Greece, cables (Drachma 2.197c).....       | .94%        | .95          | .94%        | .94%          | .94%        | .95%        | .95%        | .94%         | .94%         | .94%           | .94%         | .94%         | .94%         | .94%          |
| Australia, checks (Pound \$8.2397).....    | 3.95%       | 3.95         | 3.95%       | 3.95%         | 3.96%       | 3.97%       | 3.97%       | 3.96%        | 3.96%        | 3.96%          | 3.96%        | 3.96%        | 3.97%        | 3.97%         |
| Australia, cables (Pound \$8.2397).....    | 3.95%       | 3.95         | 3.95%       | 3.95%         | 3.96%       | 3.97%       | 3.97%       | 3.96%        | 3.96%        | 3.96%          | 3.96%        | 3.96%        | 3.97%        | 3.97%         |
| Montreal, demand (Dollar \$1.6831).....    | 99.84       | 99.72        | 99.66       | 99.78         | 99.87       | 99.82       | 99.81       | 99.88        | 99.88        | 99.84          | 99.84        | 99.81        | 99.81        | 99.88         |
| Argentina, demand (Paper peso 71.87c)..... | 32.95       | 32.93        | 32.95       | 33.00         | 33.00       | 33.15       | 33.10       | 33.07        | 33.04        | 33.07          | 33.07        | 33.10        | 33.10        | 33.10         |
| Brazil, demand (Paper milreis 20.25c)..... | 8.63        | 8.63         | 8.63        | 8.60          | 8.60        | 8.61%       | 8.61%       | 8.62         | 8.62         | 8.61%          | 8.61%        | 8.61%        | 8.61%        | 8.61%         |
| *Chile, demand (Gold peso 5.19c).....      | 5.15        | 5.15         | 5.15        | 5.15          | 5.15        | 5.15        | 5.15        | 5.15         | 5.15         | 5.15           | 5.15         | 5.15         | 5.15         | 5.15          |
| *Mexico, demand (Silver peso 34.398c)..... | 27.80       | 27.80        | 27.80       | 27.80         | 27.80       | 27.80       | 27.80       | 27.80        | 27.80        | 27.80          | 27.80        | 27.80        | 27.80        | 27.80         |
| *Uruguay, demand (Gold peso \$1.751).....  | 80.00       | 80.00        | 80.00       | 80.00         | 80.00       | 80.00       | 80.00       | 80.00        | 80.00        | 80.00          | 80.00        | 80.00        | 80.00        | 80.00         |

\* Nominal quotations. † Holiday.



# BUYING BROADER IN MOST TEXTILE DIVISIONS

by C. S. WOOLSLEY

**J**ULY was a slow and difficult month in the cotton goods markets, but all other textile divisions began to show progress in recovery soon after the mid-year holiday and continued in that direction to the opening of August. Cotton goods trading was held up pending an agreement among buyers and sellers as to the form of contract clause to be inserted, in view of the decision in the Federal Circuit Court of Appeals sustaining the Hoosac mills in its suit against the Government growing out of the right to impose a processor tax on raw cotton.

It was not until early days of August that an approximate understanding was arrived at, by which buyers from mills will be protected in any rights they may have to rebate on processor taxes, in the event that mills secure them. The case will be appealed to the Supreme Court and a decision may not be forthcoming until late in the year.

## Cotton Goods Recovering

Meanwhile, Congress has taken steps to safeguard the right to impose and collect such a tax through amendments to the A.A.A. Just as the month was closing, several buyers began to get together with sellers, and contracts were placed in a small way with agreements that whatever form of protection on contracts would be assented to by manufacturers and merchants would be acceptable and binding on sales.

The certainty that such an agreement would be made led to activity in the unfinished cotton goods markets just as the month closed. In the interval of six weeks' inactivity, prices held remarkably steady, declining only  $\frac{1}{8}$ c. a yard

on many constructions of sheetings and print cloths.

Cotton goods production in July was the lowest in many months, averaging well under 70 per cent capacity for the whole industry, and under 50 per cent in some divisions. As the new month opened, stocks of these goods were large, the month's sales having been substantially below the volume of restricted output.

## Distribution Broadened

All the while that light sales were being reported in the primary divisions, business in retailing held up well and wholesale distribution for Fall in many houses gave promise of a large and steady movement which was being realized as the month was coming to an end. Inventories of cotton goods in distributing channels are light and will require constant replenishment to meet even subnormal requirements.

Reports coming into selling agencies, concerning trade prospects, as the month closed and a few days before the first Government report of the condition and probable yield from the planted acreage of cotton came to hand, warranted predictions of an active business from this time forward. In many sections the best Fall trade in several years is in prospect.

Trade was less hampered in finished goods than in non-converted lines. Larger sales of sheets and pillowcases led to a shortening of discounts, as a result of broadening demands. Denims stiffened, and bleached cottons were advanced  $\frac{1}{4}$ c. a yard. Towels sold steadily, especially the fancy weaves for bath purposes.

Converters who had delayed

placing contracts on Spring lines became active in the last week or two of the month, and fine goods orders were increased. A renewal of the placing of awards on Government contracts also resulted in the placing of substantial orders for many lines of cottons to be delivered in the next ninety days. On the whole, as the month ended, the industry appeared to be on the verge of the most active trading seen for some months.

Continued hesitancy resulted from delays of investigations under way by the Federal Trade Commission and the Cabinet Investigating Committee. Merchants, however, now look for nothing more than a series of recommendations that will lack the force of law and probably not interfere materially with Fall prospects.

No immediate concessions seem to be in sight for the petitioners in the industry who want processor taxes abolished. Neither is there any likelihood of anything being done to lessen Japanese competition and to broaden the contracted foreign trade in cotton goods.

## Wool Mills at Capacity

The wool goods industry continued fully employed in mills, and well employed in clothing and garment factories. The threatened strike did not materialize, although the modified demands are likely to be pressed continuously in centers where there seems to be any chance of success.

As the month ended, manufacturers were convinced that no interference with production will occur in the near future. Some small strikes continue and others are to be expected while trade-

union leaders are in their present bellicose attitude.

### Fall Goods Active

Tropical worsteds for the coming Spring and Summer season were opened at prices ranging from 5 to 7½ per cent up from last season's. Some mills have booked a very fair amount of business already. Dress goods and coatings were active during the month, Fall sales having been delayed because of the desire of retailers to clean up all inventories before buying Fall garments freely.

New York men's wear jobbers did an active business, as cutters in need of merchandise were unable to secure it from mill agencies where stocks are at the lowest level in years. Some clothing manufacturers have been adding to their stocks of staples and overcoatings, due to the steady movement for Fall and Winter retailing.

The rayon industry was very active during the month. For a time both rayon and silk sales were held up by a threat of imposing compensatory taxes on them as a part of taxing cotton under the A.A.A. When Congress refused to act, trade began to improve rapidly.

July shipments of rayon yarns were next to the largest on record. August deliveries are engaged to an average of 80 per cent capacity.

Books were opened for September orders and without change in price. Orders are running full, with acetate rayons quite difficult to get for spot delivery. A prolonged strike in a Western plant was settled as the new month opened. Weavers were active buyers of rayon yarns, and knitters began laying down larger orders late in the month.

### Rayon Demand Strong

Rayon fabrics have sold freely since the midyear holiday. Many new lines are shown. Rough weaves and "wooly" effects are selling well for Fall, and the wide variety of fancy effects shown exceeds anything hitherto noted in the industry. Large sales of rayon taffetas and lining materials were made and as the month was closing the reports from mill centers showed a substantial gain in operations with the prospect that production will be full for some time to come.

Reports in the women's coat manufacturing market point to a marked style trend toward pile fabrics, which simulate natural furs. These cloths in very popular-priced ranges are being made of rayon. While the favor of the cloth has not been indicated thoroughly by garment buyers, the conclusion in the market is that the Fall season will see large

quantities of such cloth going into consumption.

Deliveries of raw silk to mills during July were 25 per cent in excess of the preceding month's. Some part of the increase was due to sales made to Canadian mills to avoid paying a higher duty imposed there as of August 5 to meet Japanese duties on other lines. Aside from this, silks have been selling better and employment at mill centers is showing some increase. With raw silk rising during the month, and sales of all-silk goods larger than a year ago, in relation to rayon output, many silk merchants look for an active Fall and are certainly doing a much better business in the higher qualities of silk fabrics.

### Burlap Prices Advanced

Burlaps were fairly active, and prices grew firm on reports of reduced acreage in India. Advances at times were speculative in character in Calcutta, but were not reflected always in this market, where reduced crop acreages affect bag consumption. Flax continued high, but linen buying from this side for future delivery was held down through questioning of the power to move goods at much higher prices. Linen suits and suitings have moved out of stocks freely.

DAILY SPOT MIDDLING COTTON PRICES AT LEADING CENTERS DURING JULY, 1935  
(Cents Per Pound)

|                   | Mon.<br>July 1 | Tues.<br>July 2 | Wed.<br>July 3 | Thurs.<br>July 4 | Fri.<br>July 5 | Sat.<br>July 6 | Mon.<br>July 8 | Tues.<br>July 9 | Wed.<br>July 10 | Thurs.<br>July 11 | Fri.<br>July 12 | Sat.<br>July 13 | Mon.<br>July 15 | Tues.<br>July 16 |
|-------------------|----------------|-----------------|----------------|------------------|----------------|----------------|----------------|-----------------|-----------------|-------------------|-----------------|-----------------|-----------------|------------------|
| New Orleans ..... | 12.20          | 12.35           | 12.45 *        | .....            | 12.20          | 12.30          | 12.30          | 12.40           | 12.48           | 12.33             | 12.35           | 12.20           | 12.25           | 12.15            |
| New York .....    | 12.15          | 12.35           | 12.45          | .....            | 12.20          | 12.35          | 12.30          | 12.40           | 12.45           | 12.35             | 12.45           | 12.35           | 12.40           | 12.25            |
| Savannah .....    | 12.30          | 12.50           | 12.58          | .....            | 12.33          | 12.46          | 12.44          | 12.55           | 12.60           | 12.50             | 11.56           | 12.45           | 12.49           | 12.38            |
| Galveston .....   | 11.90          | 12.10           | 12.20          | .....            | 11.95          | 12.10          | 12.10          | 12.20           | 12.25           | 12.15             | 12.20           | 12.10           | 12.15           | 12.00            |
| Memphis .....     | 12.20          | 12.40           | 12.50          | .....            | 12.20          | 12.35          | 12.35          | 12.45           | 12.50           | 12.40             | 12.45           | 12.35           | 12.40           | 12.30            |
| Norfolk .....     | 12.20          | 12.35           | 12.40          | .....            | 12.13          | 12.25          | 12.25          | 12.35           | 12.40           | 12.30             | 12.35           | 12.21           | 12.30           | 12.15            |
| Augusta .....     | 12.65          | 12.84           | 11.94          | .....            | 12.67          | 12.80          | 12.79          | 12.90           | 12.94           | 12.85             | 12.91           | 12.80           | 12.84           | 12.73            |
| Houston .....     | 11.95          | 12.15           | 12.25          | .....            | 12.00          | 12.10          | 12.05          | 12.15           | 12.20           | 12.10             | 12.15           | 12.05           | 12.05           | 11.95            |
| Little Rock ..... | 12.20          | 12.39           | 12.43          | .....            | 12.17          | 12.25          | 12.24          | 12.35           | 12.40           | 12.30             | 12.35           | 12.25           | 12.29           | 12.18            |
| Fort Worth.....   | 11.80          | 11.95           | 12.05          | .....            | 11.80          | 11.90          | 11.90          | 12.00           | 12.05           | 11.95             | 12.00           | 11.90           | 11.95           | 11.80            |
| Dallas .....      | 11.80          | 11.95           | 12.05          | .....            | 11.80          | 11.90          | 11.90          | 12.00           | 12.05           | 11.95             | 12.00           | 11.90           | 11.95           | 11.80            |

|                   | Wed.<br>July 17 | Thurs.<br>July 18 | Fri.<br>July 19 | Sat.<br>July 20 | Mon.<br>July 22 | Tues.<br>July 23 | Wed.<br>July 24 | Thurs.<br>July 25 | Fri.<br>July 26 | Sat.<br>July 27 | Mon.<br>July 29 | Tues.<br>July 30 | Wed.<br>July 31 |
|-------------------|-----------------|-------------------|-----------------|-----------------|-----------------|------------------|-----------------|-------------------|-----------------|-----------------|-----------------|------------------|-----------------|
| New Orleans ..... | 12.15           | 12.10             | 12.05           | 11.90           | 11.90           | 11.70            | 11.95           | 11.90             | 12.05           | 12.05           | 11.95           | 11.90            | 12.10           |
| New York .....    | 12.35           | 12.35             | 12.30           | 12.20           | 12.25           | 12.10            | 12.25           | 12.00             | 12.15           | 12.15           | 12.05           | 12.00            | 12.10           |
| Savannah .....    | 12.40           | 12.49             | 12.39           | 12.29           | 12.30           | 12.16            | 12.29           | 12.27             | 12.42           | 12.42           | 13.00           | 12.27            | 12.40           |
| Galveston .....   | 12.10           | 12.05             | 12.00           | 11.90           | 11.90           | 11.70            | 11.85           | 11.80             | 11.95           | 11.95           | 11.85           | 11.80            | 11.95           |
| Memphis .....     | 12.40           | 12.35             | 12.30           | 12.20           | 12.20           | 12.05            | 12.20           | 12.15             | 12.30           | 12.30           | 12.20           | 12.15            | 12.30           |
| Norfolk .....     | 12.25           | 12.25             | 12.20           | 12.10           | 12.10           | 11.95            | 12.10           | 12.07             | 12.20           | 12.20           | 12.10           | 12.05            | 12.20           |
| Augusta .....     | 12.83           | 12.80             | 12.74           | 12.64           | 12.65           | 12.50            | 12.65           | 12.62             | 12.77           | 12.76           | 12.65           | 12.62            | 12.76           |
| Houston .....     | 12.00           | 11.95             | 11.90           | 11.75           | 11.75           | 11.60            | 11.75           | 11.75             | 11.85           | 11.85           | 11.75           | 11.75            | 11.85           |
| Little Rock ..... | 12.28           | 12.25             | 12.25           | 12.10           | 12.10           | 11.95            | 12.09           | 12.07             | 12.22           | 12.21           | 12.10           | 12.05            | 12.20           |
| Fort Worth.....   | 11.90           | 11.85             | 11.80           | 11.70           | 11.70           | 11.55            | 11.70           | 11.70             | 11.85           | 11.80           | 11.70           | 11.70            | 11.80           |
| Dallas .....      | 11.90           | 11.85             | 11.80           | 11.70           | 11.70           | 11.55            | 11.70           | 11.70             | 11.85           | 11.80           | 11.70           | 11.70            | 11.80           |

\* Holiday.

# BUSINESS CONDITIONS, BY DISTRICT

**Baltimore** Business in general compares favorably with the corresponding month of the preceding year. Wholesalers report a slight increase in volume, with collections much improved, and in some cases exceeding sales. Observers of the wholesale situation see favorable signs for the approaching season. The uncertainty over prices has created a growing backlog of retail orders awaiting assurance of price stability, which manufacturers are endeavoring to attain.

Retail sales have increased 8 to 12 per cent over the corresponding month of last year, with collections much improved. Summer merchandise is being moved rapidly, and the sale of vacation necessities continues large.

**Binghamton** Business was seriously affected for two or three days after the recent disastrous flood, but during the second half of the month operations resumed normal proportions. Reports from department and men's and women's apparel stores indicate that business, when compared with that for the same period a year ago, is better.

Wholesalers of food products report that in the city of Binghamton the volume is about normal. In some of the rural communities, which suffered most from the flood, there has been a decline in volume, and some of the accounts have been granted extensions of time in which to pay their bills.

**Boston** Business conditions continue somewhat irregular, with the woolen branch of the textile industry still making a favorable showing, but with cotton textiles down, and the building industry recovering slowly. Woolen mills have on hand orders sufficient to insure operations from two to four months at the current high rate of activity.

For the first five months of 1935,

shoe production in Massachusetts showed a decrease of 7.5 per cent. New Hampshire, however, gained 1.9 per cent and Maine increased 7.5 per cent. Output in the principal Massachusetts shoe centers during July picked up considerably, as the manufacturers started work on the sizable orders received. There was an increased call for all grades of leather, as manufacturers covered their requirements.

**Bridgeport** General summary of business conditions prevailing in the Bridgeport area and including Waterbury shows that tendency is slightly upward, compared to corresponding period of 1934. More than 90 per cent of manufacturing concerns that were contacted reported a favorable increase in volume, and looked forward with considerable assurance that further gains would be made.

The situation in the retail field continued to reflect an upward trend and increased demand in nearly all lines of commodities, particularly Summer wear. Compared to volume of last year, an increase is reported of about 10 per cent.

Employment in this area is reported to be holding generally steady, with slight gains at isolated points. There has been no reduction of consequence in wages or increase in hours.

**Buffalo** Volume sales of Summer merchandise started early in June this year, so that stocks now are becoming depleted, with markdown sales being held only to clean out the left-overs. An early showing of Fall merchandise is anticipated.

A slight seasonal decline in factory employment and pay rolls was reported for July. The same number of help was employed, but worked fewer hours. New construction showed a gain for the month and was better than a year

ago. Loans for real estate improvements are easier of attainment and, for the first time in several years, some speculative builders have started operations, with additional plans being drafted.

**Chicago** Retail trade in July held moderate gains over last year, particularly with the larger stores, which was considered a most satisfactory record, in view of the absence of world's fair patronage. Clearance sales of Summer goods, which began on the 15th, met with a fairly good reception. Mail-order houses will turn in a gain for the month comparable to that of June.

Wholesalers also were busy, the brisk volume of fill-in orders indicating that many Midwestern retailers had misgauged consumer demands. The midseason furnishings and furniture exhibits reported the biggest attendance for any two weeks' exhibition in local history. Sales were substantially in excess of last year's. Registrations for the Interstate Merchants' Council meetings ran 22 per cent ahead in stores, and 28 per cent ahead in buyers, compared to last year.

Steel output increased sharply during the month on receipt of new railroad and structural orders and a broadening in miscellaneous demand. Automobile companies, confronted by an unexpectedly steady demand for current offerings and the necessity of preparing for an early showing of 1936 models, also were active takers of steel. The improvement in building material demand is reflected in an estimated 30 per cent increase in the six months' profits of a gypsum company with Chicago headquarters.

**Cincinnati** Retail trade continued to show improvement during July. For this year to date, sales approximately are 10 per cent in ex-



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cess of the corresponding period in 1934. Movement of merchandise is fairly well spread out over all lines.

Wholesale trade experienced the usual seasonal let-up, with sample lines now being made up for Fall business. Orders were small, but volume was ahead of that of a year ago. Prices are firm.

Employment figures for July, 1935, indicated a general improvement in local industries. Manufacturing employment was  $4\frac{1}{2}$  per cent more than in 1932, 7 per cent greater than 1934, and less than 1 per cent off from June, 1935. Construction employment was 70 per cent less than in 1929, 102 per cent more than in 1934, and increased 27 per cent over June, 1935. Employment in miscellaneous and clerical lines was 22 per cent less than in 1929, 5 per cent more than in 1934, and less than 1 per cent under June, 1935.

**Cleveland** Industrial activities made a strong comeback after the holiday let-down at the beginning of the month. Improvement in the machine tool industry is still being felt. Makers of machinery to manufacture motors, gears, axles, and the like are back to their 1931 pace.

This district made sharp gains in steel operations during July, resisting the usual seasonal trends. Prices in the steel and iron scrap market were strong, and rose \$1 to \$2 a ton. One of the largest paint and oil concerns showed a substantial gain in profits in the first six months, especially for June.

**Dallas** Local business during July showed some improvement over the seasonal slump which has been in evidence since early in June. Retail trade was around 5 to 12 per cent ahead of that for this time last year.

The most encouraging feature, however, was the improvement in some of the heavier basic indus-

tries, including mill and industrial machinery, hardware, building materials, plumbing supplies and chemicals. Crop prospects continued good.

**Dayton** With more favorable weather prevailing, retail merchants and department stores noted a slight increase in volume, with clearance sales seemingly finding favor with the buying public. The larger manufacturing plants, with one exception, have all been working on high schedules, and the smaller plants are operating with a good force of employees.

Favorable Spring and Summer weather conditions have brought crops along nicely, with farmers in this vicinity enjoying a 40 per cent increase in volume of bushels over 1933 and 1934. This, coupled with the unfavorable reports from the Western wheat belt, resulting in advancing prices, should materially benefit the farmers in this vicinity.

Building trades continue backward, with such activities as are undertaken confined principally to remodeling and repair work. Sales of both new and used automobiles have held up well, with statistics for the first six months of 1935 showing a larger registration of automobiles than for any like period in the history of the county.

**Detroit** The Summer business, although in the customary off season, thus far has been much more satisfactory than a year ago. Retail trade during July was fully 15 per cent ahead of the volume for the comparable period of last year. Women's and men's ready-to-wear, with an increase of about 20 per cent, led. The inventory conditions of retail stores also are healthier than a year ago.

Wholesale trade was a little better than a year ago. Light foods, fruits and vegetables, paints, builders' hardware, and other af-

filiated products were the most active. The textile line has been less active lately, due to the recent ruling on the processing tax.

Industrial employment, which has been declining gradually since May fell off about 6 per cent in July. This decrease has been reflected in the welfare roles, there having been a gradual increase in the number of cases obtaining support since the end of May.

Automobile production continued ahead of last year's, and the industry is planning to hold at this same level for a few weeks. Tool shops and die makers were busy getting ready for an early start on Fall automobile models.

**Duluth** Representative department stores, as well as those engaged in the men's and women's wear business, report that July sales showed gains of 2 to 7 per cent over those for July, 1934. This was attributed largely to the tourist trade, as local commercial activity has not been noticeably greater.

Jobbers in the hardware line experienced very slight gains in orders, whereas those in the food products line have been somewhat disappointed. Manufacturers of woolen outdoor wear are finding buyers slow in making their commitments.

**Erie** While unusually hot weather restricted retail sales, yet gains inaugurated several weeks ago were maintained, particularly in lines handled by department stores. No change was registered in the wholesale trades, but more inquiries are being made and more interest manifested by potential purchasers, encouraging distributors to look for an active Fall trade.

Some manufacturers of machine tools and miscellaneous machinery reported orders on an increased scale, but, on the whole, industrial conditions showed little change during the month, other than an

improvement in sentiment. Building and real estate transfers registered slight gains.

**Fort Wayne** Both wholesale and retail volume exceeded the totals set down for July, 1934. Collections continued satisfactory and crop conditions continued good. Industrial operations were curtailed by the strike at one of the knitting mills and a copper products plant.

One of the leading manufacturers of farm equipment is to enlarge its local truck plant at a cost of \$1,000,000. Projects in Fort Wayne and Allen County, calling for the expenditure of \$1,253,094, have been approved.

**Indianapolis** Retail sales experienced the usual Summer lull, but volume was 10 to 15 per cent over that of the similar period of 1934. Wholesale lines showed activity, with dry goods orders increased by 20 per cent over the previous year, and hardware lines showed a gain of 10 to 15 per cent. A slight decrease was noted in industrial operations, but these were ahead of the same period of 1934. Collections are generally reported good.

**Jacksonville** Both wholesale and retail volume remained steady during July, and were classified as fairly good. Continued rains resulted in some damage to growing crops, but were helpful to citrus trees. The northwest section of Florida is looking forward to the opening of tobacco auctions, and it is expected that prices will equal those of last year, which were satisfactory to the growers.

**Kansas City** Higher prices for wheat and hogs benefited retailers, as sales averaged 8 to 12 per cent higher than for July, 1934. Largest gains recorded for Summer clothing, hardware, and farm implements. With fill-in orders heavy, and an increased flow of requests for dry goods and groceries, wholesale volume was 6 to 10 per cent larger than a year ago. Fall buying is off to a good start.

Flour mills throughout the terri-

tory booked only 30 to 35 per cent of full capacity, compared with 90 to 95 per cent for the corresponding period of last year. The volume of business was looked upon as disappointing, in view of the normal trend at this season toward enlarged flour sales. The condition was attributed to sharp and erratic price changes in wheat futures, and to court contests over the A.A.A. processing tax.

**Little Rock** Retail sales showed a gain of 8 to 10 per cent over July, 1934, with some lines as much as 15 per cent ahead of a year ago. Summer merchandise stocks are not heavy and reorders are being made by department stores. Wholesalers of dry goods and clothing reported a volume above expectations for small immediate shipments, with a sharp increase in Fall orders.

Favorable weather has continued and it is believed the damage by recent floods will be greatly minimized. Sawmills and building material dealers continue to do a good business, with other industrial operations on schedules slightly above last year's average.

**Los Angeles** Retail trade during July revealed but slight evidence of the usual Summer lull. Volume continues at a pace 10 to 20 per cent above this period of last year. July clearance sales events are well attended.

Wholesale trade reflected the steady trend of merchandise movement through retail channels, and likewise held moderately above last year's. Low inventories at retail stores, coupled with a general steadying of consumer demand, have resulted in heavy initial orders for Fall goods. Furniture, hardware, paints, and electrical supplies continued active, and foodstuffs were steady.

**Louisville** The general trend in business locally and in the surrounding territory continued satisfactory in practically all lines of business during July. However, wholesalers of food products, dry goods, and notions reported a drop

of about 10 per cent over the corresponding period of last year. Wholesalers of hardware, paints, and other allied lines reported volume anywhere from 10 to 15 per cent better than a year ago.

Cooperage manufacturers are operating at full capacity at this time, and the outlook is very good. Wholesalers of electrical and mill supplies have about 10 to 15 per cent more orders than last year, and the same applies to wholesalers of women's and men's shoes in this territory.

**Minneapolis** Toward the close of the month there came a rapidly increasing number of reports of severe damage to the Spring wheat crop from black rust. It appears that in some localities the loss may approach 90 per cent, while in others it is much less.

The prosperity of this agricultural section, both city and country, is so dependent upon a reasonably good harvest, after three years of drought, that it is the all-absorbing topic at this time. Present indications are for a large increase in the wheat harvest compared with those of recent years, and a relatively better yield of other grains, including corn.

Notwithstanding uncertainties growing out of the crop situation, wholesale and retail trade was 10 to 20 per cent over totals of last year. Flour sales and production showed slight gains, but buyers were holding off heavy purchases.

**Newark** Distribution at retail continued along seasonal trends, with textiles and kindred lines exhibiting the greatest degree of activity. High temperatures created a better demand for Summer-weight apparel. Sales of men's straw hats have been slightly above the total for the corresponding season a year ago.

Building and construction have not picked up to the volume anticipated, but permits for June were considerably above those for the same month in 1934. There was no improvement reported for industrial operations.

**New Haven** Both in the local and Waterbury districts manufacturers maintained larger schedules than in July, 1934. There was a slight falling-off in the number of persons on pay rolls, which is usual during the Summer, but total of employed as well as hours of work were above last year's level.

A good increase was reported for retail sales, due to the excessively hot weather and to the many visitors here during the month to attend conventions. Wholesale volume was expanded chiefly by orders for merchandise to complete current assortments, as Fall buying has made but little progress thus far.

**New Orleans** Reports on cotton acreage were about as expected, though some believe the restricted acres and attending selection of the better land for planting will result in a higher average production per acre. Rice was seasonally quiet during the month, but prices were uniformly firm. Crop condition continued favorable. The coffee market weakened somewhat and sugar was sluggish.

Many retailers reported an improved movement of merchandise, particularly of Summer apparel, sporting goods and vacationists' needs. Clearance sales contributed to the enlarged volume. Bank clearings continued ahead of the same period of last year, and there was more activity in the building industry.

**Omaha** Business conditions in this territory continued above par. The seasonable weather kept Summer merchandise at maximum demand, in many instances retailers not having sufficient inventories to adequately take care of sales. The usual Summer falling-off has not occurred.

While crop conditions are spotted, because of storm damage, and black rust affecting wheat, nevertheless agricultural conditions are so much better than a year ago that retailers in the country districts are enjoying sales increases for July that will average 20 to 25 per cent over a year ago.

**Philadelphia** As the trend of buying is toward the moderate and lower-priced articles, the increase in the number of units sold ran to a higher percentage than that for retail dollar volume. The latter was only 4 to 8 per cent above the total for July, 1934. Dwindling inventories kept a constant flow of orders to wholesalers for merchandise urgently needed. Wholesalers reported Fall commitments averaging 10 to 12 per cent larger than last year.

Manufacturing operations rebounded strongly after the opening week of the month, schedules in most divisions exceeding those of a year ago. With residential building expanding and modernization work proceeding at a good rate, manufacturers of plumbing and heating supplies showed an increase of 50 per cent in volume during the first six months over last year's figures. In the same comparison, manufacturers of luggage reported a gain of 50 per cent. Manufacturers of sport coats and sweaters have more orders booked than at the beginning of August, 1934.

**Pittsburgh** Usual Midsummer conditions prevailed with both wholesale and retail trade, although retail sales, as a whole, ran about 10 per cent ahead of July, 1934. Shoe sales at retail were slightly higher than a year ago. There was a fair movement at retail of women's and children's Summer merchandise, but men's wear lines were rather slow.

Residential construction averaged considerably higher than last year, rising above that for any year since 1930, but there is not much activity in public works or industrial building. Hardware sales were quiet, and there was not much improvement in sales of radios or electrical equipment at retail.

Industrial operations are averaging slightly higher than a year ago, with steel mill operations up sharply. While production of plate glass held up very well, other lines of glass products declined, to some extent, as is customary during

July. Production of electrical equipment was at a slightly lower rate, but still ahead of last year's. The demand for sanitary and heating equipment continued fair, holding higher than in 1934.

**Rochester** Retail trade during July exhibited considerable strength, hot weather having increased the sale of Summer apparel appreciably. Average daily checks cashed for the first fourteen days of July were 2 per cent ahead of June, 1935, and were less than 1 per cent behind the corresponding period of July, 1934.

New passenger car sales for the first ten days of July were 93 per cent ahead of the corresponding period of July, 1934, and registered less than the usual seasonal decline from June sales.

**St. Joseph** Many complaints were received from retailers in all lines as to insufficiency of volume. The wholesale trade in textile lines expect an increased Fall business by reason of dealers' low stocks. All business in this district will depend on crops which at this time are very good.

Farm products are needing rain. The weather bureau reports the driest July for over 25 years, with only 11/100 of an inch rainfall for the first twenty days. While corn is late, yet growth has been rapid, which will help yield. Packing still remains slow and livestock is scarce. River work and other construction projects are absorbing some surplus labor, but the employment situation is unsatisfactory.

**St. Louis** Retail volume in this area during July was maintained at 7 to 10 per cent above the 1934 level. An automobile tire and accessory price war was accompanied by the most rapid movement in this type of merchandise since the first of the year, dealers in some sections reporting sales several times the volume of the month previous.

Wholesale grocers and dealers in dry goods and general merchandise reported orders slightly under a year ago, while distributors of



hardware, farm implements, and household conveniences are feeling an improvement as compared with 1934. Industrial activity continued accelerated during the month, in anticipation of a Fall improvement. Shoe shipments, just starting, are in greater volume than during the corresponding period of 1934, while manufacturers of heavy chemicals also reported betterment.

**St. Paul** Merchandising at wholesale and retail, during a month of humid weather was above expectations. Of thirty-five reports received, all showed sales to have at least held even with the gain in the previous month, and with many the volume was 25 per cent greater than in the corresponding period in 1934. The harvest in the Northwest is the center of interest right now.

For the first time in history, airplanes were used to hasten delivery of repair parts for farm equipment from the Twin Cities to points in Minnesota, the Dakotas, and Montana. Another point of interest that will be chronicled in the history of the Northwest was that the price of hogs at the South St. Paul Livestock market reached \$10.25 per hundredweight, the highest amount paid since September 23, 1930, as against \$4.50 per hundredweight a year ago.

**San Francisco** Vacation and tourist travel has been very good by all modes of transport, and more money is being spent by the vacationists than for several years. Real estate sales in the first half of the year increased 23 per cent in money value and 27 per cent in the number of transactions, over the like period of 1934.

The market on new crop dried fruit is in the making and all lines except figs, peaches and pears have been quoted out. Canned fruits and vegetables are very quiet and much confusion is evident with respect to current and prospective Federal legislation affecting this line.

Department store trade increas-

ed and with some stores more than was expected. Shoes sold more freely, and installment jewelry is doing better than expected, running ahead of last year. Wholesale drugs and sundries were active, with demand increasing. Hardware showed little change.

**Tacoma** Wholesale and retail trade continue to improve slowly, as the situation with regard to the Northwest lumber strike also continues to improve. To date, volume, both wholesale and retail, is ahead of last year's.

Additional men are daily returning to the lumber mills, in spite of more or less violence, with mills still protected by State troops. In Tacoma, about two-thirds of the normal crews are working, about 1,900 men, with logging camps slowly resuming operations.

Production touched its lowest point of the strike for the week ended May 25, when it was 22,900,000 feet and is now approximately 50 per cent of pre-strike production.

## SPENDING FOUR BILLIONS FOR WORK RELIEF

*continued from page 5*

its totality no great increase in spending power is to be anticipated. The wage scale is so inordinately low as to add only moderately to what those employed have been receiving on direct relief. There will be but a moderate stimulus to the heavy industries, moreover, as in the interest of providing quick and extensive employment a program of major construction projects involving heavy requirements for materials and equipment has been partially foregone. No valid claim can be made, however, that the program is encroaching to any material degree on the field of private enterprise. Workers, in fact, through reemployment as well as improved morale, are being made potentially more available for absorption by industry when it seeks to expand. If such expansion does not come within a year the nation may expect to be confronted with another work relief program.



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